

**OVERSIGHT BOARD TO THE FORMER
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON
STAFF REPORT**

DATE: APRIL 17, 2013

TO: THE HONORABLE CHAIR AND BOARD MEMBERS

FROM: EXECUTIVE DIRECTOR

SUBJECT: CONDUCT THE PUBLIC HEARING AND APPROVE THE SALE AND DISPOSITION OF CERTAIN SUCCESSOR AGENCY OWNED IDENTIFIED AS ASSESSOR PARCEL NO. 6166-010-901; 6166-010-902; 6166-010-903; 6166-010-904 BETWEEN THE SUCCESSOR AGENCY AND COMPTON SENIOR APARTMENTS, LP (META HOUSING) PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34181

SUMMARY:

Staff respectfully request the Board conduct the public hearing and approve the proposed purchase of certain Successor Agency owned property identified as Assessor Parcel No. 6166-010-901; 6166-010-902; 6166-010-903; 6166-010-904 by Compton Senior Apartments, LP (Meta Housing) pursuant to California Health and Safety Code Section 34181 in connection with the development of 75 units of Affordable Senior Housing.

BACKGROUND:

In accordance with its strategic and aggressive efforts to stimulate private sector investment into the community to expand the City's tax base, the Successor Agency to the Community Redevelopment Agency (Agency) has continuously sought out prestigious and accomplished developers as partners in the redevelopment of Compton.

In June 2009, the Urban Community Development Commission approved the Meta Housing project. The Meta Housing development is a proposed 75-unit senior citizen development on the southeast corner of Tamarind Avenue and Carson Place within the North Downtown Specific/Master Plan area. The proposed development will consist of fifteen (15) two-bedroom units with an average size of 775 square feet and sixty (60) one-bedroom units with average of 563-567 square feet per unit. The building will be a three (3) story building and incorporate numerous "Green" and "Environmentally friendly" development features. The rents will be from \$481 to \$961, which is set at a fixed rate U.S. Department of Housing and Urban Development.

Under the terms and conditions of the Disposition and Development Agreement (DDA), the Successor Agency will convey the subject parcels to the Redeveloper for a land disposition cost of Three Million Dollars (\$3,000,000) under a subordinate purchase money loan. Additionally, the Agency will provide One Million One Hundred Twenty Five Thousand Dollars (\$1,125,000.00) to the Redeveloper to defray certain costs and expenses related to pre-development costs, on-site and off-site improvements, resulting in a total amount of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000).

In accordance with the provisions of the DDA, the Redeveloper shall repay the Agency loan through Residual Receipts repayment plan over fifty-five (55) years. The Residual Receipts Promissory Note shall bear interest at the rate of three percent (3%) simple interest per annum, and shall be paid from a portion of the Residual Receipts (rents) generated from the development.

DISCUSSION:

The redeveloper has received an award and allocation from the County of Los Angeles – City of Industry funds in the amount of \$2,562,250 million dollars and has submitted a competitive application to the State Tax Allocation Credit committee that is pending approval for an award/allocation of \$7,776,913 million dollars in Tax Credits. The ability of the developer to secure addition funds from other government and private entities demonstrates the economic benefits and feasibility of the project. In addition, this project is part of the Agency's Housing Assets Transfer (HAT) List that is currently waiting Meet and Confer with the DOF.

ECONOMIC BENEFITS

The subject property is located within the City's North Downtown Master Plan area which has complementary uses such as: Martin Luther King, Jr., Senior Activity Center, and the Willow Walk development. The City's downtown area has been a major focus of economic and redevelopment transformation in the City over the past six (6) years. The development of a high quality Senior Housing and other development facilitate a pedestrian friendly environment that promotes social and economic activities to occur in the area. The North Downtown Master Plan is designed to create a unique and identifiable Downtown with a vibrant pedestrian-oriented environment that will provide various amenities and services to the residents.

The project will offer several economic benefits to the City, such as:

1. The project will increased property tax revenue in the City, because the property currently does not participate in the property tax roll as public land.
2. The project will eliminate existing blight in the area and stimulate additional Economic Development activities in the City's Downtown area.

3. The Agency would hold a Residual Land Note in the amount of Four Million One Hundred and Twenty-Five Thousand dollars (\$4,125,000).

In addition, this project will eliminate the existing physical and economic blight conditions at the proposed site (Tamarind Avenue and Carson Place), which has been vacant for several years and burdened with non-conforming land uses that are in contradiction to the North Downtown Master Plan. The developer anticipates that the project financing, development and construction schedule will be approximately 24 months if approved in June 2013.

HOUSING NEEDS ANALYSIS

Staff has researched and performed detailed analysis on the housing needs of senior citizens in the City of Compton and within Los Angeles County. To that extent, the following information provides a compelling need for the City to implement various Housing plans and projects to address the deficiency in the City's available and immediate housing stock to meet the needs of the City's growing senior population.

Special Needs Groups:

Currently, more than 7% of the City of Compton's population is seniors and senior citizens are more than 15% of the Head of Household in the City. Additionally, according to the CHAS data book documents that at least 3,258 senior households have a medium family income of less than or equal to the Los Angeles County. These statistics indicate that there is a need for assistance for seniors in securing safe decent affordable housing in Compton.

Population Growth and Age:

Facts: a) The City's population has had an average growth rate of 7% over the past 20 years from 1990 – 2010; however the City's housing stock has only increased at a rate of 2.5% over the same 20 year period. (U.S. Census Bureau, 1980, 1990, 2000 and DOF 2009).

b) The Agency's approved Five-Year Implementation Plan (January 2010) identified approximately 244 housing units that need to be developed in the city over the next five (5) years.

Action Item: Develop policies, goals, objectives and a strategic plan to attract high quality affordable housing to meet the population growth issues and demands of the City.

A. City of Compton - Housing Element (Draft General Plan 2030)

a. Housing Goal# 2: The City of Compton will implement the following:

- i. Increase its efforts with private housing developers to increase the availability of market rate housing for homeowners and renters

- ii. Implement land use policies which allow for a range of residential densities, including single family, townhomes, apartments and condominiums.
- iii. Encourage private sector production of for sale and rental housing for special needs groups: low-income, the elderly (seniors), disabled persons, large families, Female head of household and homeless.
- iv. Promote the development of senior housing and low and moderate income housing by providing density bonuses and other incentives in Section 65915 of CGC.
- v. Assisting residential developers in locating suitable land for housing development
- vi. City will locate higher density residential development in close proximity to public transportation, municipal services, and recreation

FISCAL IMPACT:

There is no negative impact to the City of Compton or the affecting taxing entities with the approval of this resolution. The terms and conditions of this DDA as approved in June 2009 provide that the Agency will convey the subject parcels to the Redeveloper for a total disposition cost of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000) under the terms and conditions of a residual land note.

RECCOMENDATION:

Staff respectfully request the Board conduct the public hearing, confirm the DDA and approve the proposed purchase and close of escrow of certain Successor Agency owned property identified as Assessor Parcel No. 6166-010-901; 6166-010-902; 6166-010-903; 6166-010-904 by Compton Senior Apartments, LP pursuant to California Health and Safety Code Section 34181 in connection with the development of 75 units of Affordable Senior Housing.

DR. KOFI SEFA-BOAKYE
DIRECTOR

APPROVED FOR FORWARDING:

G. HAROLD DUFFEY
EXECUTIVE DIRECTOR

Attachments:

- 1.) Disposition and Development Agreement between the former Community Redevelopment Agency and Compton Senior Apartments, LP
- 2.) Power Point presentation by Meta Housing
- 3.) 1ST Amendment to the Disposition and Development Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON CONDUCTING THE PUBLIC HEARING AND APPROVAL OF THE SALE AND DISPOSITION OF CERTAIN SUCCESSOR AGENCY OWNED PROPERTY TO COMPTON SENIOR APARTMENTS, LP (META HOUSING) PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34181

WHEREAS, the former Community Redevelopment Agency (Agency) and Compton Senior Apartments, LP (Redeveloper) entered into a Disposition and Development Agreement (DDA) in June 2009 for the proposed development of a 75-unit senior citizen development on the southeast corner of Tamarind Avenue and Carson Place within the North Downtown Specific/Master Plan area; and

WHEREAS, the proposed development will consist of fifteen (15) two-bedroom units with an average size of 775 square feet and sixty (60) one-bedroom units with average of 563-567 square feet per unit. The building will be a three (3) story building and incorporate numerous “Green” and “Environmentally friendly” development features. The rents will be from \$481 to \$961, which is set at a fixed rate U.S. Department of Housing and Urban Development; and

WHEREAS, under the terms and conditions of the DDA, the Successor Agency will convey the subject property, as described in Exhibit A to the DDA, to the Redeveloper upon the satisfaction of certain conditions contained in the DDA including the receipt by the Successor Agency at closing of a residual receipts promissory note payable by the Redeveloper in the principal amount of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000) (Promissory Note); and

WHEREAS, the principal amount of the Promissory Note represents a purchase price for the subject property of Three Million Dollars (\$3,000,000) and an advance by the Successor Agency of One Million One Hundred Twenty-Five Thousand Dollars (\$1,125,000) for development costs associated with the project as described in the DDA; and

WHEREAS, in accordance with the provisions of the DDA, the Redeveloper shall repay the Agency loan from residual receipts generated by the development over fifty-five (55) years. The Promissory Note shall bear interest at the rate of three percent (3%) simple interest per annum; and

WHEREAS, the Redeveloper has received an award and allocation from the County of Los Angeles – City of Industry funds in the amount of Two Million Five Hundred and Sixty-Two Thousand Dollars and Two Hundred and Fifty Dollars (\$2,562,250) and has submitted a competitive application to the State Tax Allocation Credit committee that is pending approval for an award/allocation of Seven Million Seven Hundred Thousand Dollars (\$7,700,000) in Tax Credits. The ability of the Redeveloper to secure addition funds from other government and private entities demonstrates the economic benefits and feasibility of the project; and

WHEREAS, the subject property is located within the City’s North Downtown Master Plan area which has complementary uses such as: Martin Luther King, Jr., Senior Activity Center, and the Willow Walk development. The City’s downtown area has been a major focus of economic and redevelopment transformation in the City over the past six (6) years; and

WHEREAS, the development of a high quality Senior Housing and other development facilitate a pedestrian friendly environment that promotes social and economic activities to occur in the area. The North Downtown Master Plan is designed to create a unique and identifiable Downtown with a vibrant pedestrian-oriented environment that will provide various amenities and services to the residents; and

WHEREAS, this project will eliminate the existing physical and economic blight

conditions at the proposed site (Tamarind Avenue and Carson Place), which has been vacant for several years and burdened with non-conforming land uses that are in contradiction to the North Downtown Master Plan. The Redeveloper anticipates that the project financing, development and construction schedule will be approximately 24 months; and

WHEREAS, there is no negative impact to the City of Compton or the affecting taxing entities with the approval of this resolution.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, HEREBY FINDS, DETERMINES, RESOLVE, AND ORDERS AS FOLLOWS:

Section 1. Approval to Close Escrow For Purchase of the Property Under the DDA. The Oversight Board hereby confirms the DDA and approves the closing of the escrow and conveyance of the subject property to Redeveloper in exchange for the Promissory Note as required under the DDA and upon the satisfaction of the other conditions precedent to the closing contained in the DDA.

Section 2. Authorization of Successor Agency. Upon approval of this resolution (Resolution) by the California Department of Finance, the Oversight Board authorizes and directs the Executive Director of the Successor Agency to take all such actions as may be required to close the escrow and convey the subject property to Redeveloper and to otherwise effectuate the purposes of this Resolution.

Section 3. Delivery to the California Department of Finance. The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 4. Other Actions. The Oversight Board hereby authorizes and directs the Chairman, Vice Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. Effect. This Resolution shall take effect upon approval of the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

ADOPTED this _____ day of _____, 2013.

**CHAIRPERSON OF THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

ATTEST:

**SECRETARY OF THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Rhonda Rangel, Secretary of the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, signed by the Chairperson, and attested by the Secretary at the regular meeting thereof held on the ____ day of _____, 2013.

That said resolution was adopted by the following vote, to wit:

AYES: BOARD MEMBERS -
NOES: BOARD MEMBERS -
ABSENT: BOARD MEMBERS -

**SECRETARY OF THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

Compton Senior Apartments

META HOUSING CORPORATION



View of project from Southwest

META HOUSING CORPORATION

- Meta has developed more than 6,000 units since 1993.
- Meta aims to provide the highest quality of life possible, integrating innovative design concepts with life-enhancing features that make a significant impact on the lives of residents.
- Meta aims to provide amenities and programs that will engage residents and keep them inspired by their daily lives.
- Meta's ultimate goal is to encourage its residents to seek out participation in the community and the surrounding neighborhood.



JASMINE AT FOUNDERS VILLAGE
Fountain Valley, CA



ADAMS AND CENTRAL
Los Angeles, CA



MAGNOLIA AT HIGHLAND
San Bernardino, CA

PROPOSED DEVELOPMENT

- 75 affordable Senior apartments with monthly rents from \$600 - \$900
- 60 one-bedroom / 14 two-bedroom / 1 manager unit
- Close proximity to public transportation, shopping, park and library
- 2,500 sq ft of community space consisting of community room, fitness room, and library
- Attractive contemporary design
- Lush landscaping with water feature, barbecues, seating areas, growing garden
- Secured access and ample parking (1:1 ratio)
- Rich resident services

OUTSTANDING ISSUES

9% LIHTC Structure

- Satisfaction of CTCAC due diligence efforts
- Confirmation of DOF project approval to the satisfaction of:
 - CTCAC
 - Title Insurer
- Approval of Building Plans and Issuance of Permits

PROJECT CHRONOLOGY – 9% LIHTC Financing Structure

Event	Date
Design Approval	Feb-09
Development and Disposition Agreement Approval	Jun-09
Tax Credit Application Submission	Jul-09
County of Los Angeles Funding Award of \$2.	Feb-11
Passage of AB 1x26, abolishing Redevelopment Agencies	Jun-11
Abolishment of RDA upheld by State of CA Supreme Court	Dec-11
Approval of First Amended DDA	Mar-12
9% Tax Credit Application	Mar-13
9% Tax Credit Award	Jun-13
Begin Construction	Dec-13
Construction Completion	Feb-15

DEVELOPMENT TEAM

Developer:

- Tim Soule
- Tish Kelly



Architect:

- John Cotton Architects

JOHN COTTON ARCHITECTS, INC.

General Contractor:

- Jeff Boysen



Property Manager:

- Kim Pollack



Social Services:

- Maureen Kellen-Taylor



**Compton Senior Apartments
COMPTON, CALIFORNIA**



9% FINANCING SOURCES AND USES

CONSTRUCTION SOURCES

1st Construction Loan	\$	8,100,000
City of Compton	\$	4,125,000
County (Industry Funds)	\$	2,562,250
Tax Credit Equity	\$	1,749,011
Deferred Costs	\$	997,902
TOTAL SOURCES	\$	18,434,163

PERMANENT SOURCES

Perm Loan		
City of Compton	\$	4,125,000
County (Industry Funds)	\$	2,562,250
Tax Credit Equity	\$	7,776,913
Deferred Dev. Fee	\$	810,000
TOTAL SOURCES	\$	18,434,163

USES

Land	\$	3,000,000
Acquisition Costs	\$	25,000
Architecture/Engineering	\$	936,017
Impact Fees	\$	510,000
Const. Loan Interest	\$	364,500
Other Soft Costs	\$	1,911,791
Offsites	\$	375,000
Hard Costs	\$	9,691,855
Dev. Fee	\$	1,620,000
TOTAL USES	\$	18,434,163

Project Rendering



View from Tamarind Avenue

Project Rendering



View of Courtyard

**DISPOSITION AND DEVELOPMENT AGREEMENT
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

And

COMPTON SENIOR APARTMENTS, L.P.

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EXHIBITS

Exhibit "A"	Legal Description of Property
Exhibit "B"	Site Map of Property
Exhibit "C"	Scope of Development
Exhibit "D"	Schedule of Performance
Exhibit "E"	Agency Grant Deed
Exhibit "F"	Certificate of Completion
Exhibit "G"	Regulatory Agreement
Exhibit "H"	Residual Receipts Promissory Note and Deed of Trust
Exhibit "I"	Financing Plan
Exhibits "J-1 through J-3"	Project Budget
Exhibit "K"	Completion Guarantee
Exhibit "L"	Exclusive Negotiation Agreement

RESIDUAL RECEIPTS PROMISSORY NOTE

\$4,125,000

2009

1. Principal and Interest. FOR VALUE RECEIVED, the undersigned, **COMPTON SENIOR APARTMENTS, L.P.**, a California limited partnership ("Maker"), with its principal place of business located at _____, promises to pay to the Redevelopment Agency of the City of Compton, or order (the "Agency" or "Holder") at such place as the Holder may, from time to time, designate by written notice to the Maker, the principal sum of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000), together with the accrued interest from the date of disbursement of funds paid hereunder at the simple interest rate of 3% per annum. This Residual Receipts Promissory Note (the "**Residual Receipts Promissory Note**") is made and given pursuant to that certain Disposition and Development Agreement between the Redevelopment Agency of the City of Compton and the Maker dated _____ (the "DDA"). The DDA is incorporated by reference. All initially capitalized terms used but not defined herein shall have the meanings given to them in the DDA.

2. Disbursements. This Residual Receipts Promissory Note is made to evidence the Agency Loan of One Million One-Hundred Twenty-Five Thousand Dollars (\$1,125,000) to be disbursed for construction costs as described in the DDA and the obligation to pay an Agency purchase money loan equal to the Purchase Price of Three Million Dollars (\$3,000,000) for the Property under the DDA, plus interest.

3. Term of Loan, Due Date and Right of Prepayment.

a. Maturity Date. Unless due at an earlier time by virtue of the acceleration of the balance hereof in accordance with Section 6 hereof, all accrued and unpaid interest and principal then due shall be due and payable in full without any further demand or notice fifty-five (55) years from the date on which the Certificate of Completion is issued. Alternatively, Maker may extend the affordability restrictions, as provided for in the DDA, for twenty (20) additional years ("**Extended Affordability Period**"), in which case the Residual Receipts Promissory Note shall be forgiven at the end of the Extended Affordability Period. If Maker extends the affordability restrictions for the Extended Affordability Period, in the event of any default as provided for in Section 6 of this Residual Receipts Promissory Note, Maker shall pay the balance then due in full, including all accrued and unpaid interest and principal.

b. Payment, Due Date. Annual or more frequent payments toward the principal and accrued interest shall not commence until the operation of the Project (as defined in the DDA) (the "**Project**") has generated Residual Receipts. "**Residual Receipts**" shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following: (i) the normally amortized principal and interest payments due on the First Mortgage Financing, (ii) utility fees and costs not paid by tenants, (iii) insurance on the Project, (iv) ad valorem taxes and assessment payments, (v) expenses and costs actually expended for the Project, including without limitation, painting, cleaning, repairs, landscaping, utilities, refuse removal, janitorial services, cleaning and building supplies and fees and expenses of an onsite property manager as well as the cost of social programs at the Project (approved by the Agency) and compliance

monitoring/reporting (the "**Management Fee**"), which Management Fee shall be adjusted annually by a percentage equal to the annual increase in rents permitted by U.S. Department of Housing and Urban Development ("**HUD**"), (vi) reserves for repair and replacement of the Improvements in the Project, in an annual amount of \$250 per Restricted Unit per year, (vii) a \$5,000 per year Partnership Accounting Fee (defined in the DDA) to be paid to the Maker, (viii) asset management fee and tax credit shortfall or equity adjuster payments payable to the Tax Credit Investor; (ix) managing general partner fee (to non-profit partner); (x) activity/social services fee; and (xi) Deferred Redeveloper Fee, and (xii) all other fees and expenses which may be permitted by the annual budget approved by the Agency. Operating expenses will be considered "normal and necessary" if incurred generally for similarly structured, financed and restricted rental properties operated by similar entities. All expenses and reserve payments listed above, except for principal and interest payments to senior mortgage holders under subparagraph (i) and except for the annual partnership Management Fee to the Maker under subparagraph (vii), shall not exceed actual expenses per year without the express written consent of the Agency. The limitation on expenses and reserves per year shall be subject to an annual increase equal to the percentage increase permitted by the HUD in the permitted affordable rents authorized for Los Angeles County so that the amount of increase in the expense and reserve limitation per year shall be equivalent to the same percentage increase of rent which may be charged to residents occupying the Project. At such time, payment of fifty percent (50%) of the Residual Receipts produced from the Project shall be made by the Maker to the Agency annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. Maker shall annually provide the Agency with an accounting acceptable to the Agency, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts. A portion of the Residual Receipts from the Project shall be paid to the Agency annually, to be applied toward payment of this Residual Receipts Promissory Note. Additionally, Maker shall provide payment to the Agency in an amount equal to the lesser of: (i) 67% of the net proceeds from each refinancing loan after the initial permanent financing loan, or (ii) the outstanding balance of the Residual Receipts Promissory Note.

c. Cost Reductions or Increases. The Parties acknowledge and agree that the Agency Residual Receipts Loan is intended to partially finance the financing "gap" of the Project (the amount needed to pay the excess of the Total Project Costs over the financing and other funding sources available to the Maker for acquisition or Construction of the Project), but in no event to provide funding (when combined with all other sources of financing and other funding sources available to the maker for acquisition or Construction of the Project) in excess of the Total Project Costs. If the Actual Project Costs are less than the Total Project Costs (the difference between the Actual Project Costs and the Total Project Costs being a "**Cost Reduction**"), then the Cost Reduction shall first be applied to reduce the Deferred Redeveloper Fee, then to reduce the principal amount of the Agency Residual Receipts Loan. If the Actual Project Costs exceed the sum of all financing and other funding sources available to the Maker for acquisition or Construction of the Project (the difference being a "**Project Deficit**"), the Maker shall be solely responsible for causing payment (through third party financing or Redeveloper funds) the Project Deficit. If the Actual Project Costs are less than the sum of the financing and other funding sources available to Maker for acquisition or Construction of the Project (the difference being a "**Project Surplus**"), then the Project Surplus shall first be applied to pay the Deferred Redeveloper Fee, then to reduce or repay the principal amount of the Agency

Loan. Notwithstanding any other provision of this subsection c, if the Maker or the Project receives an award of Affordable Housing Program funds ("AHP Funds"), these AHP Funds shall first be applied to pay any remaining Project Deficit then to pay Deferred Redevelopment Fee, and then to reduce or repay the principal amount of the Agency Loan.

d. Prepayment. This Residual Receipts Promissory Note may be prepaid in whole or part at any time and from time to time without penalty or premium.

4. Security for Note. This Residual Receipts Promissory Note is secured by a Deed of Trust executed by Maker which creates a lien on certain real property as described therein and in the DDA.

5. Interest Calculation. Principal and interest shall be payable in lawful money of the United States of America. Interest shall be computed based on an actual day year and the actual number of days elapsed. Interest shall commence on amounts disbursed hereunder from the date of disbursement.

6. Acceleration Upon Certain Events or Upon Default. Upon an Event of Default under the DDA or Regulatory Agreement (or other default not cured after any applicable notice has been given and any applicable cure period has expired) or the deed of trust which is the security for this instrument, or under any senior loans, notes or deeds of trust, at the option of the holder of this Residual Receipts Promissory Note, all principal and interest due under this Residual Receipts Promissory Note shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

Should the undersigned Maker agree to or sell, convey, transfer, or dispose of the real property described in the deed of trust securing this Residual Receipts Promissory Note or any part thereof or interest therein, without first obtaining the prior written consent of the Holder hereof (except for a Permitted Transfer, as defined in the DDA), then, at the option of the holder, all principal due hereunder shall immediately become due and payable. Consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions.

Notwithstanding the generality of the foregoing, certain transfers permitted under the DDA and the withdrawal, removal and/or replacement of a general partner of the any Tax Credit limited partnerships, shall not constitute a default hereunder or under the DDA, and any such action shall not accelerate the maturity of this Residual Receipts Promissory Note, provided that any transferee is either a Permitted Transferee as defined in the DDA or that any required substitute general partner is reasonably acceptable to the Agency and is selected with reasonable promptness, and that any substitute general partner agrees to be bound by any and all instruments in favor of the Agency.

If this Residual Receipts Promissory Note becomes due and payable pursuant to this Section 6 at any time prior to when this Residual Receipts Promissory Note becomes non-recourse to Maker as provided in Section 9 hereof, any amounts which become due to Holder

pursuant to this Section 6 shall not be limited to payment from Residual Receipts, but rather from all of Maker's legally available funds and assets.

Once this Residual Receipts Promissory Note becomes non-recourse to Maker, Holder's remedies upon acceleration of this Residual Receipts Promissory Note pursuant to this Section 6 shall be to exercise the power of sale in the deed of trust and exercise whatever other remedies are available to it under the DDA and the other agreements attached thereto.

7. Costs Paid by Maker. Maker agrees to pay the following costs, expenses and attorneys fees paid or incurred by the Holder of this Residual Receipts Promissory Note, or as adjudged by a court of competent jurisdiction: (a) costs of collection, costs and expenses and attorneys fees paid or incurred in connection with the collection or enforcement of this Residual Receipts Promissory Note, whether or not suit is filed; and (b) costs of suit in such sum as the court may adjudge reasonable as attorneys fees in any action to enforce payment of this instrument.

8. Waiver. Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this instrument, and expressly agrees that, without in any way affecting the liability of Maker hereunder, the Holder hereof may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder or release any security now or hereafter securing this Residual Receipts Promissory Note. Maker hereby waives, to the fullest extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this instrument or any deed of trust, security agreement, guarantee or other agreement now or hereafter securing this Residual Receipts Promissory Note.

9. Recourse to Maker. This Residual Receipts Promissory Note shall become a non-recourse obligation of the Maker on the date that Maker files a valid and timely notice of completion for construction of the Project as to Maker. At such time as this Residual Receipts Promissory Note becomes non-recourse, no deficiency judgment may be obtained against the Maker except for actual or constructive fraud, material misrepresentation, intentional bad faith waste of or on the Project and such other matters as are referred to below. Consequently, no deficiency amount may be recovered from Maker under the provisions hereof, except as may be provided herein. Notwithstanding the generality of the foregoing, however, Maker shall indemnify, defend, protect and hold the Agency Parties harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense, including, without limitation, reasonable attorneys fees and expenses incurred by the holder hereof, arising as a result of any (i) fraud or material misrepresentation by the Maker under or in connection with the DDA or Related Agreements; (ii) intentional bad faith waste of the real property encumbered by the deed of trust which secures this Residual Receipts Promissory Note; and (iii) losses resulting from Maker's failure to maintain insurance as required under the provisions of the deed of trust securing this Residual Receipts Promissory Note. Maker's obligation to indemnify the Holder hereof as aforesaid shall be recourse obligations of the Maker, and in the event of any breach of such obligations, the Holder shall have the right to proceed directly against the Maker to recover any and all losses, damages, liability, costs and expenses (including without limitation, reasonable attorneys fees and expenses) and may bring any action and institute any proceeding to

obtain a deficiency judgment in or following foreclosure for any and all such losses, damages, liabilities, costs and expenses resulting from such breach.

10. Severability. If any provision of this Residual Receipts Promissory Note is determined by a court of competent jurisdiction to be void or unenforceable, such determination shall not affect any other provision of this instrument, and all other provisions hereof shall remain valid and in full force and effect.

11. Non-Waiver. No delay in demanding or failure to demand performance hereunder shall constitute a waiver by the holder hereof of its right to subsequently demand such performance or to exercise any remedies for any default hereunder. Further, in order to be effective, any waiver of any of the holder's rights and remedies hereunder shall be expressed in a writing signed by a duly appointed representative of the holder hereof. Further, waiver by the holder hereof of any right hereunder shall not constitute a waiver of any other right, including, but not limited to, the right to exercise any and all remedies for a different or subsequent event of default hereunder.

MAKER:

COMPTON SENIOR APARTMENTS, L.P., a
California limited partnership

By: _____
Its: General Partner

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of June 1, 2009, by and between the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a public body, corporate and politic (the "Agency"), and **COMPTON SENIOR APARTMENTS, L.P.**, a California limited partnership (including the tax credit limited partnership described herein, collectively, the "Redeveloper"). The Agency and the Redeveloper agree as follows:

RECITALS

A. Pursuant to the provisions of California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) ("CRL"), the City Council ("City Council") of the City of Compton ("City") approved and adopted a redevelopment plan ("Redevelopment Plan") for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 1865 on December 10, 1991 and subsequently amended by Ordinance No. 2114 on November 16, 2004 ("Project Area").

B. The Agency is authorized and empowered under the CRL, to enter into agreements with redevelopers for the production, improvement, or preservation of affordable homeownership and rental units for low to moderate income households.

C. The Redeveloper desires by this Agreement to acquire from the Agency certain publicly owned parcels located within the Project Area and Agency desires that Redeveloper construct on the Property a project consisting of seventy-four (74) senior affordable rental housing units and one (1) unit which shall not be rent restricted and shall be occupied by an on-site manager. The Property is legally described in Exhibit "A" attached to this Agreement and incorporated into this Agreement by this reference. A Site Map depicting the Property is also attached to this Agreement as Exhibit "B" and is incorporated into this Agreement by this reference. The Project is more particularly described in the scope of development ("**Scope of Development**") attached to this Agreement as Exhibit "C" and incorporated into this Agreement by reference.

D. The Agency desires to assist in the development of the Project by providing financial assistance in the form of a subordinate purchase money loan in the amount not to exceed Three Million Dollars (\$3,000,000), representing the fair market value of and purchase price for the Property plus One Million One Hundred Twenty Five Thousand Dollars (\$1,125,000.00) for costs and expenses related to development and site improvement as described in the Loan Budget (hereinafter defined) resulting in a total amount of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000).

E. The Redeveloper's construction and operation cost of the Project are not financially feasible without the Agency's assistance. In order to assist in the construction of the development on the Property, Agency desires by this Agreement to provide for: (i) the transfer of the Property to Redeveloper; (ii) a residual receipts loan in the amount of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000) from Agency to Redeveloper utilizing the Agency's general property tax increment allocation set aside for low and moderate income

housing, and (iii) a restrictive covenant to run with the land for fifty-five (55) years and requiring that seventy-four (74) units be rented only to Qualified Households (hereinafter defined) at an Affordable Rent (hereinafter defined). The amount of the Agency funds provided pursuant to this Agreement does not exceed the amount of the Agency's assistance necessary to make the Redeveloper's acquisition of the Property and the construction and operation of the Project, as restricted by this Agreement, financially feasible.

F. The Agency intends to apply the units to be developed pursuant to this Agreement towards satisfaction of the statutorily mandated affordable housing production requirements for the Project Area under the Health and Safety Code Section 33413(b)(2).

G. This Agreement and the exhibits attached to this Agreement ("**Exhibits**") implement the goals and objectives of the Redevelopment Plan for the Project Area by providing for the disposition of the Property and the development of the Project on the Property which will benefit the affordable housing needs of the City and assist Agency in meeting its inclusionary housing obligations as set forth in the Redevelopment Plan and CRL. The development of the Property pursuant to this Agreement is in the best interests of the City and Agency and the health, safety and welfare of the City's taxpayers and residents and is in accordance with the public purposes set forth in the Redevelopment Plan and CRL. The Redevelopment Plan, as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof. Implementation of this Agreement will further the goals and objectives of the Redevelopment Plan and the City's general plan by: (i) strengthening the City's land use and social structure; (ii) alleviating economic and physical blight within the Project Area; and (iii) providing needed affordable housing in the Project Area.

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Agency and Redeveloper, the Parties agree as follows:

TERMS AND CONDITIONS

ARTICLE 1

DEFINITIONS AND REPRESENTATIONS AND WARRANTIES

1.1 Definitions. All initially capitalized terms not otherwise defined in this Agreement shall have the following meanings:

1.1.1 Adjusted Family Income. The term "**Adjusted Family Income**" shall mean the anticipated total annual income of each individual or household residing or treated as residing in the Unit as calculated in accordance with Section 6914 of Title 25 of the California Code of Regulations, as amended from time to time.

1.1.2 Affordable Housing Funds. The term "**Affordable Housing Funds**" shall mean that portion of Agency's general property tax increment allocation set aside pursuant to CRL Sections 33334.2 and 33334.3 for the purposes of increasing, improving and preserving the

community's supply of low and moderate income housing available at an affordable housing cost to persons and families of low or moderate income.

1.1.3 Affordable Rent. The term "**Affordable Rent**" shall have the same meaning as set forth in California Health and Safety Code Section 50053, as that Section may hereafter be amended from time-to-time, and shall provide a reasonable allowance for utilities. If the Project qualifies for federal tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, then the applicable federal affordable rent rates shall apply in lieu of the requirements of the preceding sentence, but only if the applicable federal affordable rent rates do not exceed those imposed by the requirements of the preceding sentence.

1.1.4 Agency. The term "**Agency**" shall mean The Community Redevelopment Agency of the City of Compton, a public body corporate and politic, and any assignee of or successor to its rights, powers and responsibilities.

1.1.5 Agency Parties. The term "**Agency Parties**" shall mean the Agency, City and their respective employees, officers, agents and representatives.

1.1.6 Agency's Conditions Precedent. The term "**Agency's Conditions Precedent**" shall mean the conditions precedent to the Closing for the benefit of Agency as set forth in Section 3.3.2.

1.1.7 Agency Grant Deed. The term "**Agency Grant Deed**" shall mean the Grant Deed for the conveyance of the Property from Agency to Redeveloper, in the form of Exhibit "E" attached to this Agreement.

1.1.8 Agency Residual Receipts Loan. The term "**Agency Residual Receipts Loan**" shall mean a residual receipts loan in an amount of Four Million One Hundred and Twenty Five Thousand Dollars (\$4,125,000), consisting of a purchase money loan equal to the Three Million Dollar (\$3,000,000) Purchase Price for the Property plus One Million One Hundred and Twenty Five Thousand Dollars (\$1,125,000) from Agency to Redeveloper, from Agency's Low and Moderate Income Housing Set Aside Funds ("**Set Aside Funds**"), to assist Redeveloper to defray development and site improvement costs as set forth in Section 4.3 and to insure restrictive covenants, providing that the Units be held at an affordable rent, run with the Property for fifty-five (55) years.

1.1.9 Agency's Title Notice Response. Agency's Title Notice Response means and refers to the written response of the Agency to the Redeveloper's Title Notice, in which the Agency either elects to (i) cause the removal from the Preliminary Report or, in the alternative, (ii) obtain title insurance in a form reasonably satisfactory to the Redeveloper insuring against any matters disapproved in the Redeveloper's Title Notice or (iii) elects not to take either action described in (i) or (ii).

1.1.10 Agreement. The term "**Agreement**" shall mean this Disposition and Development Agreement between the Agency and Redeveloper, including the Exhibits attached to this Agreement.

1.1.11 AMI. The term “**AMI**” shall mean the area median income for Los Angeles County, California, adjusted for family size, established by the State of California Department of Housing and Community Development pursuant to California Health and Safety Code Section 50093, as amended from time to time, in accordance with adjustment factors ~~adopted and amended from time to time by the United States Department of Housing and Urban~~ Development pursuant to Section 8 of the United States Housing Act of 1937.

1.1.12 Capital Replacement Reserve Account. The term “**Capital Replacement Reserve Account**” shall mean the account to be established pursuant to Section 5.4 of the Regulatory Agreement.

1.1.13 CEQA. The term “**CEQA**” shall mean that California Environmental Quality Act, Public Resources Code Section 21000 et seq. and the State regulations implementing CEQA, 14 California Code of Regulations Section 15000 et seq.

1.1.14 Certificate of Completion. The term “**Certificate of Completion**” shall mean the written certification of Agency that the Project is complete and in compliance with the terms and conditions of this Agreement, substantially in the form of Exhibit “F” attached to this Agreement.

1.1.15 City. The term “**City**” shall mean the City of Compton, California, a California municipal corporation and any assignee of or successor to its rights, powers and responsibilities.

1.1.16 Close of Escrow; Closing. The terms “**Close of Escrow**” and “**Closing**” shall mean the date when the Escrow Holder records the Agency Grant Deed after the satisfaction (or written waiver) of the conditions in Section 3.3.

1.1.17 Closing Statement. The term “**Closing Statement**” shall mean the statement prepared by the Escrow Holder indicating among other things, the Escrow Holder’s estimate of all funds to be deposited or received by Agency or Redeveloper and all charges to be paid by Agency or Redeveloper through the Escrow.

1.1.18 Closing Tax Credit Equity Installment. An installment of Tax Credit Equity in the amount of approximately Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000.00) paid or loaned by the Tax Credit Investor to the Redeveloper on or before the Close of Escrow.

1.1.19 Completion of Construction. The term “**Completion of Construction**” shall mean the issuance by the City of all final (not temporary) certificates of occupancy required for the occupancy of the Project.

1.1.20 Completion Guarantee. The term “**Completion Guarantee**” shall mean a guarantee from Meta Housing Corporation, a California corporation guaranteeing to the Agency the completion of the Project in accordance with this Agreement, in the form of Exhibit “K” attached hereto.

1.1.21 Construction. The term "**Construction**" shall mean the work of improvement to be performed on the Property in accordance with the provisions of this Agreement, the Project Budget, and the Financing Plan.

1.1.22 Construction Costs. The term "**Construction Costs**" shall mean the total cost incurred by Redeveloper in constructing the Project, consistent with this Agreement, the Project Budget, and the Financing Plan.

1.1.23 Construction Loan. The term "**Construction Loan**" shall mean a Loan obtained by Redeveloper from an institutional Lender that is consistent with and within the limits of the Financing Plan approved by Agency.

1.1.24 CRL. The term "**CRL**" shall mean California Community Redevelopment Law (California Health and Safety Code Section 33000 et seq.) as amended from time to time.

1.1.25 Deed of Trust. The term "**Deed of Trust**" shall mean that certain deed of trust, assignment of rents and leases, security agreement and fixture filing executed by Redeveloper, as trustor, in favor of Agency, as beneficiary, and attached to this Agreement as Exhibit "H".

1.1.26 Default. The term "**Default**" shall mean the failure of a Party to perform any action or covenant required by this Agreement within the time period provided for such performance in this Agreement following any provided notice and opportunity to cure.

1.1.27 Deferred Redeveloper Fee. The term "**Deferred Redeveloper Fee**" shall mean Five Hundred Twelve Thousand Five Dollars (\$512,005), which is the amount of Redeveloper fee not paid from the proposed Project financing sources indicated in the Project Budget (Exhibit "J-2"). The Deferred Redeveloper Fee will be paid first from cost savings or increased proceeds in the project budget and then from net cash flow and/or proceeds from a permitted sale and/or a permitted Refinancing.

1.1.28 Due Diligence Investigations. The term "**Due Diligence Investigations**" means and refers to the Redeveloper's due diligence investigations of the Property to determine the suitability of the Property for development or operation of the Project, including, without limitations, investigations of the environmental and geotechnical suitability of the Property, as deemed appropriate in the reasonable discretion of the Redeveloper, all at the sole cost and expense of the Redeveloper.

1.1.29 Due Diligence Investigation Conclusion Notice. The term "**Due Diligence Investigation Conclusion Notice**" means and refers to a written notice of the Redeveloper delivered to both the Agency and the Escrow Holder, prior to the end of the Due Diligence Period, indicating the Redeveloper's acceptance of the condition of the Property or indicating Redeveloper's rejection of the condition of the Property and refusal to accept a conveyance of fee title to the Property, describing in reasonable detail the actions that the Redeveloper reasonably believes are indicated to allow the Redeveloper to accept the condition of the Property.

1.1.30 Due Diligence Period. The term “**Due Diligence Period**” means and refers to the time period of one hundred twenty (120) continuous days commencing on the day immediately following the Opening of Escrow.

1.1.31 Effective Date. The term “**Effective Date**” means and refers to the first date on which (i) the Agency is in receipt of four (4) counterpart originals of this Agreement executed by the authorized representative(s) of the Redeveloper, (ii) a certified copy of the Redeveloper Official Action and (iii) following all legally required notices and hearings, this Agreement is approved by Agency’s governing board after the City Council of the City has made the findings required by CRL Section 33433 and is executed by the authorized representative(s) of the Agency and delivered to the Redeveloper.

1.1.32 Environmental Laws. The term “**Environmental Laws**” shall mean all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability of standards of conduct concerning any hazardous substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to hazardous substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“**CERCLA**”) [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (“**RCRA**”) [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (“**FWPCA**”) [33 USC Section 1251 et seq.]; the Toxic Substances Control Act (“**TSCA**”) [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act (“**HMTA**”) [49 USC Section 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.] the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.] the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the Occupational Safety and Health Act [29 USC Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [California Health & Safety Code Section 25280 et seq.]; the California Hazardous Substances Account Act [California Health & Safety Code Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [California Health & Safety Code Section 24249.5 et seq.] the Porter-Cologne Water Quality Act [California Water Code Section 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent the occupational health or industrial hygiene laws, ordinances, or regulations relate to hazardous substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

1.1.33 Escrow. The term “**Escrow**” shall mean an escrow account opened with Escrow Holder for the purchase and sale and/or transactions described in this Agreement.

1.1.34 Escrow Holder. The term "**Escrow Holder**" shall mean First American Title Insurance Company, 550 S. Hope Street, Suite 1950, Los Angeles, CA 90071, Attention: Mary L. Brown.

1.1.35 Exclusive Negotiation Agreement. The term "**Exclusive Negotiation Agreement**" shall mean that certain agreement entitled "Exclusive Negotiation Agreement" between Agency and Redeveloper, substantially in the form attached hereto as Exhibit "L".

1.1.36 Executive Director. The term "**Executive Director**" shall mean the Executive Director of Agency or his or her designee or successor in function.

1.1.37 Financing Plan. The term "**Financing Plan**" means the description of the proposed methods of financing the construction of the Project, which is attached as Exhibit "I" to this Agreement, which, together with the Project Budget, illustrates the financing structure of the Project.

1.1.38 FIRPTA. The term "**FIRPTA**" shall mean the United States Foreign Investment in Real Property Transfer Act.

1.1.39 Financing Commitments. The term "**Financing Commitments**" means irrevocable commitments, subject only to customary and reasonable conditions precedent, from a lender for financing the construction, ownership and use of the Project.

1.1.40 First Mortgage Financing. The term "**First Mortgage Financing**" shall mean any of the following: (i) the Construction Loan; or (ii) any refinancing of any Construction Loan so long as the total amount refinanced does not exceed the total original principal amount of the Construction Loan.

1.1.41 Fiscal Year. The term "**Fiscal Year**" shall mean a twelve (12) calendar month period commencing on January 1 and ending on December 31.

1.1.42 Good Faith Deposit. The term "**Good Faith Deposit**" shall mean funds delivered into Escrow as described by the Exclusive Negotiation Agreement.

1.1.43 Governmental Agency. The term "**Governmental Agency**" shall mean any and all courts, boards, agencies, commissions, offices, or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city, or otherwise) whether now or later in existence.

1.1.44 Governmental Requirements. The term "**Governmental Requirements**" shall mean all codes, statutes, ordinances, laws, permits, orders, and any rules and regulations promulgated thereunder of any Governmental Agency having jurisdiction, partial or otherwise over the Property or the Project.

1.1.45 Hazardous Substances. The term "**Hazardous Substances**" shall mean: (i) those substances included within the definitions of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminate" in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Laws; (ii) those substances

listed in the United States Department of Transportation ("DOT") Table [49 CFR 172.101], or by the EPA, or any successor agency, as hazardous substances [40 CFR Part 302]; (iii) other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and (iv) any material, waste, or substance that is a petroleum or refined petroleum product, asbestos, polychlorinated biphenyl, designated as a hazardous substance pursuant to 33 USC Section 1321 or listed pursuant to 33 USC Section 1317, a flammable explosive, or a radioactive material.

1.1.46 Lender. The term "**Lender**" shall mean a mortgagee or a beneficiary of a Lien and shall include its successors and assigns.

1.1.47 Lien. The term "**Lien**" shall mean any mortgage, deed of trust or other security instrument encumbering Redeveloper's fee interest in the Property and/or Project, or any part thereof.

1.1.48 Loan. The term "**Loan**" shall mean any loan expressly contemplated by this Agreement.

1.1.49 Loan Budget. The term "**Loan Budget**" shall mean the budget describing the use of proceeds of the Loan for costs and expenses related to the Project and attached to this Agreement as Exhibits "J-1" through "J-3".

1.1.50 Normal Business Hours. The term "**Normal Business Hours**" shall mean any weekday, Monday through Friday, excluding federal and/or state recognized holidays, between the hours of 8:00 a.m. and 5:00 p.m. Pacific Standard Time.

1.1.51 Notice of Affordability Restrictions. The term "**Notice of Affordability Restrictions**" shall mean a notice in the form required by California Health and Safety Code Section 33334.3.

1.1.52 Opening of Escrow. The term "**Opening of Escrow**" shall mean five (5) days following the Effective Date of this Agreement.

1.1.53 Parties. The term "**Parties**" means the Agency and the Redeveloper.

1.1.54 Permitted Encumbrance. The term "**Permitted Encumbrance**" means and refers to (i) subject to Agency's consent, which consent shall not be unreasonably withheld or delayed, at any time prior to the repayment of the Agency Residual Receipts Loan, pursuant to Section 4.6.1.3, any easement or CC&R's that Redeveloper reasonably determines is necessary or beneficial for the development and/or operation of any improvements to the Property, and (ii) any deed of trust securing First Mortgage Financing.

1.1.55 Permitted Transfer. The term "**Permitted Transfer**" shall mean any sale, transfer, assignment or conveyance of the Property or the Project that is approved by Agency in writing or is expressly permitted under Section 1.3.1 of this Agreement.

1.1.56 Pre-Closing Liquidated Damages Amount. The term "**Pre-Closing Liquidated Damages Amount**" shall mean and refer to the amount of Twenty-Five Thousand Dollars (\$25,000.00).

1.1.57 Project. The term "**Project**" shall mean the design, development and operation of a project consisting one (1) un-restricted residential unit for an on-site manager, seventy-four (74) very low and low income senior affordable housing rental units, and all related on- and off-site improvements. The Project is more particularly described in the scope of development ("**Scope of Development**") attached to this Agreement as Exhibit "C" and incorporated into this Agreement by reference. The Project shall also include all required or associated demolition, on-site and off-site improvements, hardscape improvements, parking areas and carports, and landscaping improvements to the Property, which are specifically described in the Scope of Development, and which shall be developed in accordance with plans and specifications approved by the City and any conditions imposed by the City in its consideration of Redeveloper's development applications related to the Project.

1.1.58 Project Area. The term "**Project Area**" shall mean the Project Area as defined in Recital A above.

1.1.59 Project Budget. The term "**Project Budget**" shall mean the Project's estimated Construction Costs and schedule of sources and uses of funds attached hereto as Exhibits "J-1 through J-3".

1.1.60 Project Entitlements. The term "**Project Entitlements**" shall mean the precise plan, any specific plan amendments, variances, zone changes, and grading permits necessary for development of the Project on the Property to be approved by the City. Project Entitlements shall not include building permits or the formation or approval of districts, bonds or exactions (including, but not limited to, special assessments and special taxes) necessary to finance, directly or indirectly, the construction of public improvements or the provision of public services necessary for the Project. Project Entitlements also shall not include permits to occupy or operate after initial completion of construction has occurred.

1.1.61 Property. The term "**Property**" shall mean the real property, and all current and future improvements thereon (including, without implied limitation, the Project), legally described in Exhibit "A" and depicted in Exhibit "B".

1.1.62 Purchase Price. The term "**Purchase Price**" shall mean Three Million Dollars (\$3,000,000).

1.1.63 Qualified Households. The term "**Qualified Households**" shall mean, as applicable, either a "Senior 50% Household", a "Senior 60% Household" or a "Senior 70% Household," as defined below:

1.1.63.1 "**Senior 50% Household**" means an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than fifty percent (50%) of the then-current AMI; and

1.1.63.2 **"Senior 60% Household"** an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than sixty percent (60%) of the then-current AMI.

1.1.63.3 **"Senior 70% Household"** an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than seventy percent (70%) of the then-current AMI.

1.1.64 **Redeveloper.** The term **"Redeveloper"** shall mean Compton Senior Apartments, L.P., a California limited partnership. The principal office of the Redeveloper is 1640 S. Sepulveda Blvd, Suite 425, Los Angeles, CA. Wherever the term Redeveloper is used herein, such term shall include any permitted nominee, assignee, or successor to which a Permitted Transfer of the Project may be made, as authorized by the provisions of this Agreement

1.1.65 **Redeveloper's Conditions Precedent.** The term **"Redeveloper's Conditions Precedent"** shall mean the conditions precedent to the Closing for the benefit of Redeveloper as set forth in Section 3.3.1.

1.1.66 **Redeveloper's Due Diligence Completion Certificate.** The term **"Redeveloper's Due Diligence Completion Certificate"** shall have the meaning ascribed to the term in Section 2.5.3.

1.1.67 **Redeveloper's Title Notice.** Redeveloper's Title Notice means and refers to a written notice from the Redeveloper to the Agency indicating the Redeveloper's acceptance of the state of the title to the Property, as described in the Preliminary Report, or the Redeveloper's disapproval of specific matters shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Title Policy for the Property, describing in suitable detail the actions that the Redeveloper reasonably believes are indicated to obtain the Redeveloper's approval of the state of the title to the Property.

1.1.68 **Redeveloper's Title Notice Waiver.** Redeveloper's Title Notice Waiver means and refers to a written notice from the Redeveloper to the Agency waiving the Redeveloper's previous disapproval in the Redeveloper's Title Notice of specific matters shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Title Policy for the Property.

1.1.69 **Redeveloper's Title Policy.** The term **"Redeveloper's Title Policy"** means and refers to a standard CLTA owners' policy of title insurance issued by the Title Company, with coverage in the full amount of the Purchase Price and insuring fee title to the Property vested in the Redeveloper.

1.1.70 **Redevelopment Plan.** The term **"Redevelopment Plan"** shall mean the redevelopment plan for the Project Area, as amended from time to time.

1.1.71 Regulatory Agreement. The term "**Regulatory Agreement**" shall mean that certain regulatory agreement entitled "Compton Senior Apartments Regulatory Agreement" between Agency and Redeveloper, in the form attached hereto as Exhibit "G".

~~1.1.72 Residual Receipts. The term "**Residual Receipts**" shall have the meaning~~
ascribed to the term in the Residual Receipts Promissory Note.

1.1.73 Residual Receipts Promissory Note. The term "**Residual Receipts Promissory Note**" shall mean that certain promissory note attached hereto as Exhibit "H" evidencing Redeveloper's obligation to repay the Agency Residual Receipts Loan.

1.1.74 Schedule of Performance. The term "**Schedule of Performance**" shall mean the schedule for the performance of certain actions by Agency and Redeveloper, pursuant to this Agreement, attached to this Agreement as Exhibit "D".

1.1.75 Scope of Development. The term "**Scope of Development**" shall mean the detailed description of the primary elements of the Project attached to this Agreement as Exhibit "C".

1.1.76 Site. The term "**Site**" shall mean that portion of the Project Area shown on the "Map of the Site" attached to this Agreement as Exhibit "B" and is incorporated herein by reference, and described in the "Legal Description of the Site," attached hereto as Exhibit "A" and incorporated herein by reference (consisting of the land bearing Assessor's Parcel Numbers 6166-010-901, 6166-010-902, 6166-010-903, and 6166-010-904).

1.1.77 Tax Credits. The term "**Tax Credits**" shall mean the low income housing nine percent (9%) tax credits allowable for qualified affordable housing projects under Internal Revenue Service Code Section 42, as amended, and related provisions of the law of the State of California.

1.1.78 Title Company. The term "**Title Company**" shall mean First American Title Insurance Company, 550 S. Hope Street, Suite 1950, Los Angeles, CA 90071, Attention Mary L. Brown.

1.1.79 Total Project Cost. The term "**Total Project Cost**" shall mean the total aggregate cost amount to complete the Project as set forth in Exhibits "J-1" through "J-3".

1.1.80 Transfer. The term "**Transfer**" shall mean any voluntary or involuntary sale, transfer, assignment or conveyance of the Property, any portion thereof or interest therein, or any agreement to do so, except for a Permitted Transfer.

1.1.81 Unit. The term "**Unit**" shall mean one (1) of the Units in the Project.

1.1.82 Units. The term "**Units**" shall mean seventy-four (74) senior affordable housing units in the Project as further described in Section 6.1.

1.1.83 Un-permitted Encumbrances. The term “**Un-permitted Encumbrances**” means and refers to any mortgage, lien, deed of trust, easement or other encumbrance recorded or asserted against the Property that is not a Permitted Encumbrance.

1.2 Representations and Warranties

1.2.1 Agency Representations and Warranties. The representations and warranties of Agency contained in this Section 1.2.1 shall be based upon the actual knowledge of the Executive Director, as of the Effective Date. All representations and warranties contained in this Section 1.2.1 are true and correct as of the Effective Date. Agency’s liability for misrepresentation or breach of warranty, representation or covenant, wherever contained in this Agreement, shall survive the execution and delivery of this Agreement and the Closing. Agency hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by Redeveloper has been made in material reliance by Redeveloper on such covenants, representations and warranties:

1.2.1.1 Agency is a community redevelopment agency, duly formed and operating under the CRL. Agency has the legal power, right and authority to enter into this Agreement and to execute the instruments and documents referenced herein, and to consummate the transactions contemplated hereby.

1.2.1.2 The persons executing any instruments for or on behalf of Agency have been authorized to act on behalf of Agency. No approval, consent, order or authorization of or designation or declaration of any other person, is required in connection with the valid execution and delivery of this Agreement by the Agency.

1.2.1.3 Agency has taken all requisite action and obtained all requisite consents for agreements or matters to which Agency is a party in connection with entering into this Agreement and the instruments and documents referenced herein and in connection with the consummation of the transactions contemplated hereby.

1.2.1.4 Between the date of this Agreement and the Close of Escrow, Agency will continue to maintain the Property in the same manner as existed prior to the execution of this Agreement.

1.2.1.5 The funds used by the Agency for the acquisition of the Property and the Agency Residual Receipts Loan for the Property preparation work originated solely from the Agency’s Low and Moderate Income Housing Set Aside Funds. There are no sources of funds other than Set Aside Funds used or to be used by the Agency with respect to the acquisition of the Property, the funding of the Agency Residual Receipts Loan or Property preparation expenses.

1.2.1.6 Agency is not the subject of a bankruptcy proceeding.

1.2.2 Redeveloper Representations and Warranties. The representations and warranties of Redeveloper contained in this Section 1.2.2 shall be based upon the actual knowledge of Redeveloper as of the Effective Date. All representations and warranties contained in this Section 1.2.2 are true and correct in all material respects as of the Effective

Date. Redeveloper's liability for misrepresentation or breach of warranty, representation or covenant, wherever contained in this Agreement, shall survive the execution and delivery of this Agreement and the Closing. Redeveloper hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by Agency has been made in material reliance by Agency on such covenants, representations and warranties:

1.2.2.1 Redeveloper is a California corporation lawfully entitled to do business in the State of California and the City. Redeveloper has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the transactions contemplated hereby. The persons executing this Agreement and the instruments referenced herein on behalf of Redeveloper hereby represent and warrant that such persons have the power, right and authority to bind Redeveloper.

1.2.2.2 Redeveloper has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required for Redeveloper's authorization to enter into Agreement.

1.2.2.3 Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which Redeveloper is a party or by which Redeveloper may be bound, or under law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to Redeveloper or to the Property.

1.2.2.4 No approval, consent, order or authorization of, or designation or declaration of any other person, is required in connection with the valid execution and delivery of this Agreement by Redeveloper.

1.3 Prohibition Against Change in Ownership, Management and Control of Redeveloper and Assignment of Agreement. The qualifications and identity of Redeveloper are of particular concern to Agency. It is because of those qualifications and identity that Agency has entered into this Agreement with Redeveloper. No voluntary or involuntary successor in interest of Redeveloper shall acquire any rights or powers under this Agreement except as expressly set forth herein.

1.3.1 Redeveloper shall promptly notify Agency in writing of any material change in the identity of the parties owning or controlling Redeveloper, and any change in control of those parties. This Agreement may be terminated by Agency prior to the Close of Escrow if there is any material change, whether voluntary or involuntary, in membership, ownership, management or direct or indirect control of Redeveloper (other than such changes occasioned by the death or incapacity of any individual) that has not been approved by Agency prior to the time of such change; provided, however, that (i) Agency shall first notify Redeveloper in writing of its intention to terminate this Agreement or assert any other such remedy, and (ii) Redeveloper shall have thirty (30) calendar days following its receipt of such written notice to commence and thereafter diligently and continuously proceed with the cure of

the default of Redeveloper hereunder and submit evidence of the initiation of satisfactory completion of such cure to Agency in a form and substance deemed satisfactory to Agency within such thirty (30) calendar day period. Notwithstanding anything to the contrary contained in this Agreement, the following transfers ("**Permitted Transfers**") shall be permitted without the prior written consent of the Agency:

- (a) Any deed of trust securing First Mortgage Financing.
- (b) Any transfer directly resulting from the foreclosure of such a deed of trust or the granting of a deed in lieu of foreclosure of such a deed of trust.
- (c) The leasing of residential units within the Property in accordance with the Regulatory Agreement.
- (d) The granting of easements or recordation of any bonds required by the City of Compton or reasonably necessary to facilitate the development of the Property.
- (e) The transfer of the Property to a tax credit partnership provided Agency has reviewed and approved the partnership agreement for the tax credit partnership, Redeveloper or a limited liability company acts as a general partner and the tax credit partnership assures in writing all of the obligations of Redeveloper under this Agreement.
- (f) The transfer of a limited partnership interest in the Redeveloper to the tax credit equity investor (the "**Tax Credit Investor**"), or to an affiliate of the Tax Credit Investor and future transfers of such interest provided that: (i) the tax credit partnership agreement provides for capital contributions of the limited partners consistent with Financing Plan and is first approved by the Agency in its reasonable discretion; (ii) all documents associated with the tax credit syndication of the Property are submitted to the Agency for approval prior to execution, which approval shall not be unreasonably withheld; and (iii) the Tax Credit Investor (or an affiliate of the Tax Credit Investor reasonably acceptable to the Agency) remains liable for all unpaid capital contributions.

1.3.2 For the purpose of Section 1.3 the words "material change" refer to any total or partial sale, assignment, or conveyance, or any trust power or any transfer in any other mode or form by Redeveloper.

1.4 Prohibition Against Transfer.

1.4.1 Except as expressly provided in this Section 1.4, Redeveloper shall not, without prior written approval of Agency, (i) assign or attempt to assign this Agreement or any right herein or (ii) make any total or partial sale, transfer, conveyance, lease, leaseback, or assignment of the whole or any part of the Property or the improvements thereon (or any interest therein) or permit to be placed on any of the Property any unauthorized mortgage, trust deed, deed of trust, encumbrance or Lien.

1.4.2 No unauthorized sale, transfer, conveyance, lease, leaseback or assignment of the Property shall be deemed to relieve Redeveloper or any other party from any obligations under this Agreement.

~~1.4.2.1 Exhibit List.~~ The following is a list of the Exhibits attached to this Agreement. Each of the Exhibits is incorporated by this reference into the text of this Agreement.

Exhibit "A"	Legal Description of Property
Exhibit "B"	Site Map of Property
Exhibit "C"	Scope of Development
Exhibit "D"	Schedule of Performance
Exhibit "E"	Agency Grant Deed
Exhibit "F"	Certificate of Completion
Exhibit "G"	Regulatory Agreement
Exhibit "H"	Residual Receipts Promissory Note and Deed of Trust
Exhibit "I"	Financing Plan
Exhibits "J-1 through J-3"	Project Budget
Exhibit "K"	Completion Guarantee
Exhibit "L"	Exclusive Negotiation Agreement

1.5 No Unpermitted Encumbrances. The Redeveloper shall not record and shall not allow to be recorded against all or any portion of the Property or the Project any mortgage, trust deed, deed of trust, encumbrance or lien that is not a deed of trust securing First Mortgage Financing. The Redeveloper shall remove or shall have removed any such encumbrance made or recorded against all or any portion of the Property or the Project. The covenants of the Redeveloper set forth in this Section 1.5 regarding the placement of encumbrances on the Property shall run with the land of the Property and bind successive owners of the Property.

1.5.1 Agency Right to Discharge Un-Permitted Encumbrances. After sixty (60) calendar days prior written notice to the Redeveloper, the Agency shall have the right, but not the obligation, to satisfy or remove any encumbrance against the Property or the Project that is not permitted by this Agreement and receive reimbursement from the Redeveloper for any amounts paid or incurred in satisfying or removing any such Un-permitted Encumbrance, upon demand. Agency's rights under this Section 1.5 shall terminate upon the repayment of the Agency Residual Receipts Loan.

ARTICLE 2

AGENCY'S RELOCATION OBLIGATIONS; ACQUISITION AND CONVEYANCE OF PROPERTY

2.1 Agency's Relocation Obligations. At the time the Agency acquired the Property, which occurred prior to the Effective Date of this Agreement, the Property was vacant, and therefore, the Agency has no known relocation and related obligations. Notwithstanding the foregoing, as between the Agency and the Redeveloper, the Agency shall be responsible, at its

sole cost and expense, for any and all relocation and related expenses attributable to the relocation of the occupants of the Property, if any. The Agency shall defend, indemnify and hold the Redeveloper and its officers, employees, agents, attorneys, and contractors harmless from and against all liability for any relocation and related expenses attributable to the development of the Property and the relocation of its previous occupants.

2.2 Purchase and Sale of the Property

2.2.1 Purchase and Sale. The Agency shall sell the Property to the Redeveloper and the Redeveloper shall purchase the Property from the Agency pursuant to the terms and conditions of this Agreement. For the purposes of exchanging funds and documents to complete the sale from the Agency to the Redeveloper and the purchase by the Redeveloper from the Agency of the Property, pursuant to the terms and conditions of this Agreement, the Agency and the Redeveloper agree to open the Escrow with the Escrow Holder as soon as reasonably possible after the approval, execution and delivery of this Agreement, and shall deliver a copy of this executed Agreement to the Escrow Holder.

2.3 Title Approval. As soon as practicable following the Opening of Escrow, the Agency shall obtain a preliminary report issued by the Title Company and deliver a copy of Preliminary Title Report and copies of the title exception documents to the Redeveloper. Within twenty (20) days following the Redeveloper's receipt of the Preliminary Title Report and copies of title exception documents, the Redeveloper shall deliver Redeveloper's Title Notice from the Redeveloper to the Agency. If the Redeveloper fails to deliver Redeveloper's Title Notice to the Agency, within twenty (20) days following the Redeveloper's receipt of the Redeveloper's Title Report and copies of title exception documents, the Redeveloper will be deemed to disapprove the status of title to the Property and refuse to accept title to the Property and this Agreement shall automatically terminate in which case the Parties shall proceed pursuant to Section 3.11. Within twenty (20) days following the Agency's receipt of Redeveloper's Title Notice, the Agency shall serve the Agency's Title Notice Response. If the Redeveloper's Title Notice does not disapprove any matter in the Preliminary Title Report, the Agency shall not be required to serve Agency's Title Notice Response. If the Agency does not serve Agency's Title Notice Response, if necessary, within twenty (20) days following its receipt of the Redeveloper's Title Notice, the Agency shall be deemed to elect not to cause any matter disapproved in the Redeveloper's Title Notice to be removed from the Preliminary Title Report or its effect to be insured against. If the Agency elects in Agency's Title Notice Response to cause the removal of any matter disapproved in the Redeveloper's Title Notice from the Preliminary Title Report or its effect to be insured against, the Agency shall cause the removal of each such matter from the Preliminary Title Report or insurance against its effect to be issued, prior to the Escrow Closing Date. If the Agency elects or is deemed to have elected not to cause the removal of any matter disapproved in the Redeveloper's Title Notice from the Preliminary Title Report or its effect to be insured against, then, within ten (10) days following the earlier of the Redeveloper's receipt of Agency's Title Notice Response or the expiration of the time period provided in this Section 2.3 for delivery of Agency's Title Notice Response, the Redeveloper shall either: (1) refuse to accept the title to and conveyance of the Property, or (2) waive its disapproval of any matters set forth in the Redeveloper's Title Notice by delivering the Redeveloper's Title Notice Waiver to the Agency. Failure by the Redeveloper to deliver the Redeveloper's Title Notice Waiver, where Agency's Title Notice Response or the Agency's failure to serve Agency's Title

Notice Response indicates or results in the Agency's election not to cause the removal of any one or more matters disapproved in Redeveloper's Title Notice from the Preliminary Report or its effect to be insured against, within ten (10) days following the Redeveloper's receipt of Agency's Title Notice Response or expiration of the time period for the Agency to deliver Agency's Title Notice Response under this Agreement, will be deemed the Redeveloper's continued refusal to accept the title to and conveyance of the Property, in which case either the Agency or the Redeveloper shall have the right to cancel the Escrow and terminate this Agreement, in their respective sole and absolute discretion, without liability to the other Party or any other Person, by delivery of a written notice of termination to both the other Party and the Escrow Holder, in which case the Parties and the Escrow Holder shall proceed pursuant to Section 3.11. Notwithstanding anything to the contrary contained herein, the City may cause, and the Agency may permit, a deed of trust securing a promissory note payable to the City in the amount of Three Million Dollars (\$3,000,000.00) ("**City Deed of Trust**") to be recorded against the Property as contemplated by that certain Purchase and Sale Agreement dated as of May 21, 2009 by and between the Agency and the City. The Redeveloper shall have the right to object to the lien of the City Deed of Trust and the Agency shall have the right to elect to remove such lien as provided in and with the effect provided in this Section 2.3

2.4 Due Diligence Investigations.

2.4.1 The Redeveloper shall complete all of its Due Diligence Investigations within the Due Diligence Period and shall conduct all of its Due Diligence Investigations at its sole cost and expense.

2.4.2 The Agency licenses, permits and authorizes the Redeveloper to enter the Property for the sole purpose of conducting the Redeveloper's Due Diligence Investigations, subject to all of the terms and conditions of this Agreement. The Redeveloper shall not conduct any intrusive or destructive testing of any portion of the Property, other than low volume soil samples, without the Agency Executive Director's prior written consent. Following the conduct of any Due Diligence Investigations on the Property, the Redeveloper shall restore the Property to substantially its condition prior to the conduct of such Due Diligence Investigations.

2.4.3 The activities of the Redeveloper or its agents directly or indirectly related to the Redeveloper's Due Diligence Investigations shall be subject to the Redeveloper's indemnity, defense and hold harmless obligations pursuant to Section 8.8. Prior to commencing any Due Diligence Investigations on the Property, the Redeveloper shall deliver all copies of policies or certificates of insurance required to be delivered pursuant to Section 5.2 and 5.3.

2.4.4 The Redeveloper shall deliver a Due Diligence Investigation Conclusion Notice to the Agency and the Escrow Holder prior to the end of the Due Diligence Period. If the Redeveloper does not unconditionally accept the condition of the Property by delivery of its Due Diligence Investigation Conclusion Notice indicating such acceptance, prior to the end of the Due Diligence Period, the Redeveloper shall be deemed to have rejected the condition of the Property and refused to accept conveyance of title to the Property. If the condition of the Property is rejected or deemed rejected by the Redeveloper, then the Agency or the Redeveloper shall have the right to cancel the escrow and terminate this Agreement, in their respective sole and absolute discretion, without liability to the other Party and the Escrow Holder or any other

person, by delivery of a written notice of termination to the other Party, in which case the Parties and the Escrow Holder shall proceed pursuant to Section 3.11.

2.4.5 The Redeveloper shall rely solely and exclusively upon the results of its ~~Due Diligence Investigations of the Property, including, without limitation, investigations~~ regarding geotechnical soil conditions, compliance with applicable laws pertaining to the use of the Property by the Redeveloper and any other matters relevant to the condition or suitability of the Property for the Project, as the Redeveloper may deem necessary or appropriate. The Agency makes no representation or warranty, express or implied, to the Redeveloper relating to the condition of the Property or suitability of the Property for any intended use or development by the Redeveloper.

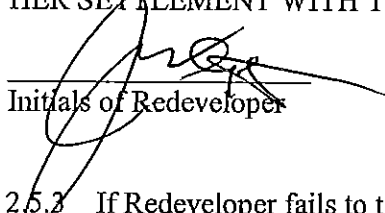
2.4.6 The Redeveloper shall accept all conditions of the Property, without any liability of the Agency whatsoever, upon the Redeveloper's acceptance of the condition of the Property indicated in its Due Diligence Investigation Conclusion Notice. The Redeveloper's delivery of its Due Diligence Investigation Conclusion Notice indicating the Redeveloper's unconditional acceptance of the condition of the Property shall evidence the Redeveloper's unconditional and irrevocable acceptance of the Property in the Property's AS IS, WHERE IS, SUBJECT TO ALL FAULTS CONDITION, WITHOUT WARRANTY AS TO QUALITY, CHARACTER, PERFORMANCE OR CONDITION and with full knowledge of the physical condition of the Property, the nature of the Agency's interest in and use of the Property, all zoning, other land use laws and other Governmental Requirements affecting the Property, and of the conditions, restrictions, encumbrances and all matters of record relating to the Property. The Redeveloper's delivery of its Due Diligence Investigation Conclusion Notice indicating the Redeveloper's unconditional acceptance of the condition of the Property shall constitute the Redeveloper's representation and warranty to the Agency that the Redeveloper has received assurances acceptable to the Redeveloper by means independent of the Agency or any agent of the Agency of the truth of all facts material to the Redeveloper's acquisition of the Property pursuant to this Agreement, and that the Property is being acquired by the Redeveloper as a result of its own knowledge, inspection and investigation of the Property and not as a result of any representations made by the Agency or any employee, official, consultant or agent of the Agency relating to the condition of the Property, unless such statement or representation is expressly and specifically set forth in this Agreement. The Agency hereby expressly and specifically disclaims any express or implied warranties regarding the Property.

2.5 Condition of the Property.

2.5.1 Agency makes no representation or warranty, express or implied, to Redeveloper relating to the condition or suitability of the Property for any intended use or development by Redeveloper. Without limiting the foregoing, Agency makes no representations or warranties as to whether the Property presently complies with Environmental Laws or whether the Property contains any Hazardous Substance, except as required by law. Furthermore, to the extent that Agency has provided Redeveloper with any environmental assessments or other information relating to the condition of the Property, including information and reports prepared by or on behalf of Agency, Agency makes no representation or warranty with respect to the accuracy, completeness, methodology or content of any such reports or information.

2.5.2 Without limiting the foregoing, except to the extent covered by an express representation or warranty of Agency set forth in this Agreement, Redeveloper, on behalf of itself, and its successors and assigns, waives and releases Agency and its successors and assigns from any and all demands, claims, legal or administrative proceedings, losses, liability, damages, penalties, fines, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, arising from or relating to the condition of the Property or any law or regulation applicable to the Property, including the presence or alleged presence of harmful or Hazardous Substances in, under or about the Property including, without limitation, any claims under or on account of (i) CERCLA and similar statutes and any regulations promulgated thereunder or (ii) any other Environmental Laws. Redeveloper expressly waives any rights or benefits available to it with respect to the foregoing release under any provision of applicable law that generally provides that a general release does not extend to claims that the creditor does not know or suspect to exist in his or her favor at the time the release is agreed to, which, if known to such creditor, would materially affect a settlement. By initialing below, Redeveloper acknowledges that it fully understands the foregoing, and with this understanding, nonetheless elects to and does assume all risk for claims known or unknown, described in this Section. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been advised by legal counsel of its own selection and is familiar with the provisions of California Civil Code Section 1542, and hereby expressly waives any rights it may have under such law, as well as under any other statutes or common law principles of similar effect to California Civil Code Section 1542, which reads, as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."


Initials of Redeveloper

2.5.3 If Redeveloper fails to timely deliver its Due Diligence Completion Certificate, Redeveloper shall be deemed to have unconditionally accepted the condition of the Property by Redeveloper in its existing "AS IS," "WHERE IS" and "SUBJECT TO ALL FAULTS" condition as of the Effective Date of this Agreement.

ARTICLE 3

ESCROW INSTRUCTIONS

3.1 Opening of Escrow; Escrow Instructions. The purchase and sale of the Property shall take place through the Escrow to be administered by the Escrow Holder.

3.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of the Parties to the Escrow Holder for completion of the Escrow for the purchase and sale of the Property, as contemplated by this Agreement. Redeveloper and Agency shall execute such further escrow instructions consistent with the provisions of this Agreement as may be reasonably requested by Escrow Holder; however, in the event of any conflict between the provisions of this Agreement and any further escrow instructions requested by Escrow Holder, the provisions of this Agreement shall control.

3.3 Conditions to Close of Escrow. The conditions set forth in this Section 3.3 shall be satisfied or waived by the respective benefited Party on or before the Closing Date or the Party benefited by any unsatisfied condition shall not be required to proceed to close the Escrow. Where satisfaction of any of the foregoing conditions requires action by Redeveloper or by Agency, each Party shall use its reasonable best efforts, in good faith, and at its own cost, to satisfy such condition. Either Party may waive any of the conditions set forth in this Agreement, but any such waiver shall be effective only if contained in a writing signed by the waiving Party and delivered to the Escrow Holder and the other Party.

3.3.1 Redeveloper's Conditions Precedent. Redeveloper's obligation to purchase the Property from Agency on the Escrow Closing Date shall be conditioned upon the fulfillment of the following conditions precedent ("**Redeveloper's Conditions Precedent**"), all of which shall be satisfied (or waived in writing by Redeveloper pursuant to Section 3.3) prior to the Close of Escrow:

3.3.1.1 Title Company is unconditionally committed to issue the Title Policy to Redeveloper

3.3.1.2 Agency deposits all of the items into Escrow required by Section 3.5;

3.3.1.3 The representations, warranties and covenants of Agency set forth in this Agreement are true and correct in all material respects on the Effective Date and on the Escrow Closing Date;

3.3.1.4 Redeveloper has obtained the Tax Credits and other Financing Commitments and the lender(s) thereunder is/are irrevocably committed to close such financing and, to the extent the Financing Commitments include Tax Credits, an institutional investor shall be admitted to Redeveloper; and

3.3.1.5 Redeveloper shall have obtained the final issuance of all discretionary approvals required from any Government agency or department that are required for the construction of the Project on the Property.

3.3.2 Agency's Conditions Precedent. Agency's obligation to sell the Property to Redeveloper on the Escrow Closing Date shall be conditioned upon the fulfillment of the following conditions precedent ("**Agency's Conditions Precedent**"), all of which shall be satisfied (or waived in writing pursuant to Section 3.3) prior to the Close of Escrow:

3.3.2.1 Redeveloper has released the Good Faith Deposit from Escrow to the Agency on the date of execution of this Agreement by both Parties.

3.3.2.2 Redeveloper deposits all of the items into Escrow required by Section 3.4;

3.3.2.3 Redeveloper performs all of its obligations required to be performed by Redeveloper under this Agreement prior to Close of Escrow;

3.3.2.4 The representations, warranties and covenants of Redeveloper set forth in this Agreement are true and correct in all material respects on the Effective Date and on the Escrow Closing Date;

3.3.2.5 The guarantor under the Completion Guarantee has executed and delivered the Completion Guarantee to Escrow Holder;

3.3.2.6 Redeveloper has obtained the Tax Credits and other Financing Commitments sufficient to meet Project Budget (including any amendments thereto) requirements and the Lender(s) thereunder is/are irrevocably committed to close such financing concurrently with the Closing and, to the extent the Financing Commitments include Tax Credits, an institutional investor shall be admitted to Redeveloper at or prior to the Closing; and

3.3.2.7 The Closing Tax Credit Equity Installment shall have been made as verified by Agency based on reasonable written evidence delivered to Agency.

3.3.2.8 Redeveloper shall have obtained the Project Entitlements (excluding certificates of occupancy). Redeveloper has executed the Regulatory Agreement attached hereto as Exhibit "G".

3.3.2.9 Redeveloper has delivered to Agency and Agency has approved in writing the partnership agreement for the tax credit limited partnership.

3.3.2.10 Title Company is unconditionally committed to issue a title policy insuring the Deed of Trust in the amount of the Agency's loan, in form and substance acceptable to Agency ("**Lender's Policy**").

3.4 Redeveloper's Escrow Deposits. Redeveloper shall deposit the following items into Escrow and, concurrently, provide a copy of each such item to Agency, at least two (2) business days prior to the Escrow Closing Date scheduled by Escrow Holder by written notice delivered to each of the Parties:

3.4.1 All amounts due under the terms of this Agreement required to be deposited into Escrow by Redeveloper under the terms of this Agreement to close the Escrow, all in immediately available funds.

3.4.2 Regulatory Agreement. Three (3) duplicate original copies of the Regulatory Agreement, duly executed and acknowledged by the authorized representative(s) of Redeveloper in recordable form.

3.4.3 Affordability Restriction Notice. An affordability restriction notice signed by the authorized representative of the Redeveloper in recordable form.

3.4.4 Residual Receipts Promissory Note. The Residual Receipts Promissory Note signed by the authorized representative(s) of the Redeveloper.

3.4.5 Deed of Trust. The Deed of Trust signed by the authorized representative(s) of the Redeveloper in recordable form.

3.4.6 Two (2) duplicate original copies of the Closing Statement, duly executed by the authorized representative(s) of Redeveloper.

3.4.7 A Preliminary Change of Ownership Report ("PCOR") executed by the authorized representative(s) of Redeveloper for the Property.

3.4.8 A FIRPTA affidavit executed by the authorized representative(s) of Redeveloper, in the customary form provided by the Escrow Holder; California Franchise Tax Board Form 593-C executed by Redeveloper.

3.4.9 Evidence of the existence, organization and authority of Redeveloper reasonably requested by Escrow Holder or Title Company.

3.4.10 Any other documents, instruments or funds required to be delivered by Redeveloper under the terms of Agreement or as otherwise reasonably requested by Escrow Holder or Title Company in order to close Escrow that have not previously been delivered by Redeveloper.

3.5 Agency's Escrow Deposits. Agency shall deposit the following items into Escrow and, concurrently, provide a copy of each such item to Redeveloper, at least two (2) business days prior to the Escrow Closing Date scheduled by Escrow Holder by written notice delivered to each of the Parties:

3.5.1 The Agency Grant Deed executed by the authorized representative(s) of Agency.

3.5.2 Two (2) duplicate original copies of the estimated Closing Statement, duly executed by the authorized representative(s) of Agency.

3.5.3 Three (3) duplicate original copies of the Regulatory Agreement, duly executed and acknowledged by the authorized representative(s) of the Agency.

3.5.4 Any other documents, instruments, funds and records required to be delivered by Agency under the terms of this Agreement or as otherwise reasonably requested by Escrow Holder or Title Company in order to close Escrow that have not been previously delivered by Agency.

3.6 Closing Procedure. When each of Redeveloper's Escrow deposits, as set forth in Section 3.4, and each of Agency's Escrow deposits, as set forth in Section 3.5, are deposited into

Escrow, Escrow Holder shall request confirmation in writing from both Agency and Redeveloper that each of their respective conditions to the Close of Escrow, as set forth in Section 3.3, are satisfied or waived. Upon Escrow Holder's receipt of written confirmation from both Agency and Redeveloper that each of their respective conditions to the Close of Escrow are satisfied or waived, Escrow Holder shall "Close Escrow" by doing all of the following:

3.6.1 Recordation of Documents. Record the Grant Deed and the Regulatory Agreement and the Notice of Affordability Restrictions and the Deed of Trust with the Office of the Recorder of Los Angeles County, California, for recordation in the order set forth in Section 3.8;

3.6.2 Distribution of Recorded Documents. Distribute each recorded document to the Party or other person designated for such distribution in Section 3.8;

3.6.3 PCOR. File the PCOR with the Office of the Recorder of Los Angeles County, California;

3.6.4 FIRPTA Affidavits. File the FIRPTA Affidavits with the United States Internal Revenue Service;

3.6.5 Form 593. File Form 593-C with the California Franchise Tax Board;

3.6.6 Title Policy(ies). Obtain and deliver to Redeveloper the Redeveloper's Title Policy issued by the Title Company and, to the Agency, the Lender's Policy issued by the Title Company; and

3.6.7 Residual Receipts Promissory Note. Deliver the fully executed Residual Receipts Promissory Note to Agency.

✓ 3.7 Close of Escrow. Close of Escrow shall occur following satisfaction of all conditions precedent therefor set forth in Section 3.3 and if it shall not have occurred by February 28, 2010 ("**Outside Closing Date**"), then any Party not then in default of this Agreement may terminate this Agreement and cancel the Escrow, without liability to the other Party or any other person for such termination and cancellation, by delivering written notice of termination to the other Party and Escrow Holder and, thereafter, the Parties shall proceed pursuant to Section 3.11. Notwithstanding the foregoing, (i) the Outside Closing Date shall be automatically extended to February 28, 2011 if Escrow shall have failed to close due solely to the failure of the Redeveloper to have been awarded the Tax Credits following the submittal of a complete and timely application therefor, and (ii) the Outside Closing Date may be extended to February 28, 2012 by the Agency in the exercise of its sole and absolute discretion.

3.8 Recordation and Distribution of Documents. Escrow Holder shall cause the following documents to be recorded in the official records of the Recorder of Los Angeles County, California, in the following order of priority at Close of Escrow: (i) the Grant Deed, (ii) First Mortgage Financing documents (including any subordination of the Regulatory Agreement in favor of the Lender of the First Mortgage to the extent required and provided Agency has made the findings under California Health & Safety Code Section 33334.14(a)(4)), (iii) the Deed of Trust, (iv) the Regulatory Agreement and the Notice of Affordability

Restrictions, (v) any other documents to be recorded through Escrow upon the joint instructions of the Parties. Immediately after Closing, Escrow Holder shall deliver: (i) a certified copy of the Agency Grant Deed to Redeveloper and a copy to Agency, each showing all recording information, (ii) a certified copy of the Regulatory Agreement to Agency and a copy to Redeveloper, each showing all recording information, (iii) the original of the Completion Guarantee to Agency, (iv) the original of the Residual Receipts Promissory Note to Agency and a copy to Redeveloper, and (v) the original of any other documents recorded at the Close of Escrow to the Party or other person designated in the joint escrow instructions of the Parties for such recordation and a copy of each such document to the other Party or Parties, each showing all recording information.

3.9 Escrow Costs. The Redeveloper shall pay all of the Escrow fees and such other costs as the Escrow Holder may charge for the conduct of the Escrow. The Escrow Holder shall notify the Redeveloper and the Agency of the costs to be borne by each of them at the Close of Escrow by delivering the Escrow Holder's estimated closing/settlement statement to both the Agency and the Redeveloper, at least, four (4) business days prior to the Escrow Closing Date. The Agency shall pay the premium charged by the Title Company for the Title Policy, exclusive of any endorsements or other supplements to the coverage of the Title Policy that may be requested by the Redeveloper. The Redeveloper shall pay for the premium for the Agency's lender's title policy any and all recording fees, documentary transfer taxes and any and all other charges, fees and taxes levied by a governmental authority relative to the conveyance of the Property through the Escrow and the cost of any endorsements or supplements to the coverage of the Title Policy requests by the Redeveloper.

3.10 Escrow Cancellation Charges. If the Escrow fails to close due to Agency's default under this Agreement, Agency shall pay all ordinary and reasonable Escrow and title order cancellation charges. If the Escrow fails to close due to Redeveloper's default under this Agreement, Redeveloper shall pay all ordinary and reasonable Escrow and title order cancellation charges. If the Escrow fails to close for any reason other than the default of either Redeveloper or Agency, Redeveloper and Agency shall each pay one-half (1/2) of any ordinary and reasonable Escrow and title order cancellation charges.

3.11 Escrow Cancellation. If this Agreement is terminated pursuant to a contractual right granted to a Party in this Agreement to terminate this Agreement (other than due to the default of another Party), the Parties shall do each of the following:

3.11.1 Cancellation Instructions. The Parties shall, within three (3) business days of Escrow Holder's written request, execute any reasonable Escrow cancellation instructions requested by Escrow Holder;

3.11.2 Return of Funds and Documents. Within ten (10) business days of receipt by the Parties of a settlement statement of Escrow and title order cancellation charges from Escrow Holder: (i) Redeveloper or Escrow Holder shall return to Agency any documents previously delivered by Agency to Redeveloper or Escrow Holder, (ii) Agency or Escrow Holder shall return to Redeveloper all documents previously delivered by Redeveloper to Agency or Escrow Holder; and (iii) Escrow Holder shall, unless otherwise provided for herein, return to

Redeveloper any funds deposited in Escrow, less Redeveloper's share of customary and reasonable Escrow and title order cancellation charges, if any.

3.12 Report to IRS. After the Close of Escrow and prior to the last date on which such report is required to be filed with Internal Revenue Service, if such report is required pursuant to Section 6045(e) of the Internal Revenue Code, Escrow Holder shall report the gross proceeds of the purchase and sale of the Property to the Internal Revenue Service on Form 1099-B, W-9 or such other form(s) as may be specified by the Internal Revenue Service pursuant to Section 6045(e). Concurrently with the filing of such reporting form with IRS, Escrow Holder shall deliver a copy of the filed form to Agency and Redeveloper.

3.13 Condemnation. In the event that, prior to the Close of Escrow, any governmental entity, other than Agency, shall commence any eminent domain or similar proceedings to take any portion of the Property, following notice of such proceedings, the Redeveloper shall not acquire the Property and this Agreement shall terminate.

3.14 Maintenance of Property. Agency shall, prior to the Close of Escrow, continue to maintain the Property in substantially the same condition as of the Effective Date of this Agreement, shall keep it free of weeds and debris, and shall not further encumber, or suffer to be encumbered, the Property with any liens or other non-statutory encumbrances, nor shall Agency enter into any contracts with respect to the Property which will survive the Close of Escrow without Redeveloper's prior written consent, which may be given or conditioned in Redeveloper's sole and absolute discretion.

ARTICLE 4

FINANCING OF PROJECT

4.1 Project Budget and Financing Plan. Redeveloper has submitted to Agency the Financing Plan (Exhibit "I") for construction of the Project in a total amount of approximately Twenty-Two Million Twenty-Two Thousand Dollars (\$22,022,000), which is further described in the estimated Construction Costs and sources and uses of funds contained in the Project Budget (Exhibits "J-1" through "J-3"). The Project Budget and Financing Plan consist generally of the following:

4.1.1 Construction Loan in an amount of approximately Thirteen Million Five Hundred Thousand Dollars (\$13,500,000) to be repaid from the proceeds from a permanent financing loan and the Tax Credit Equity (as defined below). The proceeds from the Construction Loan shall be used solely to pay Construction Costs.

4.1.2 "Tax Credit Equity" shall mean equity payments from the Tax Credit Investor in the amount of approximately Fourteen Million Seven Hundred Ninety-Four Thousand Dollars (\$14,794,000) to be disbursed as follows: (a) the Closing Tax Credit Installment in the amount of approximately Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000) to be paid to the Redeveloper on or before the Close of Escrow and used for financing the construction of the Project; and (b) the remaining balance of the Tax Credit Equity in an amount of approximately Eleven Million Eight Hundred Thirty-Five Thousand Dollars

(\$11,835,000) to be funded to the Redeveloper during the course of construction through the date one month from the receipt of the IRS Form 8609 by the Redeveloper.

4.1.3 Permanent financing in an amount of approximately Two Million Five Hundred Ninety-Two Thousand Dollars (\$2,591,516) to be used together with the Tax Credit Equity to repay the Construction Loan.

4.1.4 Agency Residual Receipts Loan in an amount not to exceed Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000) to be disbursed as follows: (a) Agency to convey the Property to the Redeveloper at the Close of Escrow subject to the Deed of Trust securing the Agency Residual Receipts Loan; and (b) an amount not to exceed One Million One Hundred Twenty Five Thousand Dollars (\$1,125,000), being the remaining principal of the Residual Receipts Loan after deduction of the Purchase Price that will be deemed to have been disbursed at the Closing, to be disbursed from time to time to the Redeveloper pursuant to a schedule reasonably acceptable to the Agency, to reimburse the Redeveloper for a portion of the total Construction Costs. The Agency shall subordinate the lien of the Deed of Trust to the lien of the deed of trust securing the First Mortgage Financing pursuant to a commercially reasonable subordination agreement acceptable to the Executive Director.

4.2 Project Budget - An Estimate. By its execution of this Agreement, Agency has given its approval to the Project Budget and the Financing Plan. While the Project Budget and/or Financing Plan have been prepared based on the best, good faith estimate of the Redeveloper of the costs which are likely to be incurred for the Project, the Parties recognize that events and circumstances not currently contemplated, some of which are outside of the control of the Parties, could result in changes in the Construction Costs, necessitating changes in the Financing Plan and/or Project Budget. To the extent that there are changes to the Project Budget and/or the Financing Plan between the date of this Agreement and Closing, Redeveloper shall submit a revised Project Budget and/or the Financing Plan to the Executive Director for review and approval as to the sufficiency of the Financing Commitments and Financing Plan to meet revised Project Budget requirements not later than ten (10) business days prior to Closing; however, in no event shall the Agency be obligated to increase the Agency Residual Receipts Loan.

4.3 Construction Cost of the Project. Redeveloper has provided a detailed scope of work for the Construction of the Project in the Scope of Development which is attached to this Agreement as Exhibit "C". The Construction Costs shall be subject to change from time to time in accordance with this Agreement, subject to prior written approval by Agency (which approval shall not be unreasonably withheld). The Executive Director is hereby authorized to act on behalf of Agency to approve any revisions to the Construction Costs which do not in any way increase Agency's financial obligations or risk hereunder.

4.4 Financing of the Project - Tax Credits.

4.4.1 Redeveloper proposes to qualify for and obtain 9% Tax Credits in the amount of approximately Nineteen Million Eight Hundred Forty-Five Thousand Dollars (\$19,845,000) in the First Allocation Round of 2009, pursuant to the low-income housing tax credit program authorized pursuant to Internal Revenue Code Section 42, California Health and

Safety Code Sections 50199.6-50199.19, Revenue and Taxation Code Sections 17057.5, 17058, 23610.4, and 23610.5, and applicable federal and State regulations such as 4 California Code of Regulations Sections 10300-10340 (collectively, the "**Low-Income Housing Tax Credit Program**"). If Redeveloper does not receive the Tax Credits as a result of such application, then the Redeveloper will have the opportunity to apply for an obtain Tax Credits in the First and Second Allocation Rounds of 2010. If the Redeveloper does not receive the Tax Credits as a result of the applications made in 2009 or 2010, then either Agency or Redeveloper may terminate this Agreement by written notice to the other. In the event Redeveloper obtains Tax Credits, Agency shall not have any responsibilities or obligations with respect thereto. Notwithstanding the foregoing, if the Redeveloper does not receive the Tax Credits as a result of the application made in 2009 or 2010, the Redeveloper may (with the prior consent of the Agency made in its sole and absolute discretion) have the opportunity to apply for and obtain Tax Credits in the First and Second Allocation Rounds of 2011.

4.4.2 Submission of Documents to Agency. In order to assist Agency in performing its obligations and its rights under this Agreement (e.g., reviewing Redeveloper's Evidence of Financial Capability, insuring the continued affordability and maintenance of the Project units, and obtaining payments due under the Residual Receipts Promissory Note), Redeveloper shall promptly submit to the Executive Director all of the following documents at such time as the same are submitted by Redeveloper to the Tax Credit Allocation Committee or other applicable body or when such documents are received by Redeveloper, as applicable:

4.4.2.1 Complete copies of Redeveloper's applications to the Tax Credit Allocation Committee for the preliminary reservation, final reservation, carryover allocation (if applicable), and placed-in-service credit award, and any amendments or modifications thereto (4 California Code of Regulations 10325(b)-(e) and 10345).

4.4.2.2 Complete copies of any correspondence or transmittals by the Tax Credit Allocation Committee to Redeveloper notifying Redeveloper regarding the action(s) taken with respect to any of the applications referred to in the preceding clause.

4.4.2.3 A complete copy of the regulatory agreement between the Tax Credit Allocation Committee and Redeveloper (4 California Code of Regulations 10340(c)).

4.4.2.4 Complete copies of all progress reports submitted by Redeveloper to the Tax Credit Allocation Committee prior to the issuance of tax credit allocations (4 California Code of Regulations 10340(d)).

4.4.2.5 Complete copies of all correspondence or transmittals from the Tax Credit Allocation Committee or other jurisdiction (such as the Internal Revenue Service) containing any notification regarding the Project's noncompliance with applicable provisions of the Low-Income Housing Tax Credit Program.

4.4.3 Agency Cooperation In Tax Credit Process. Agency shall cooperate with Redeveloper, at no "out of pocket" costs to Agency, to assist in the Redeveloper's receipt of an allocation of Tax Credits from the Tax Credit Allocation Committee; provided, however, Agency

does not represent, warranty, or guaranty that Redeveloper shall obtain a reservation of Tax Credits. Specifically, Agency agrees as follows:

4.4.3.1 Agency shall provide Redeveloper copies of all correspondence between Agency and the Tax Credit Allocation Committee.

4.4.3.2 Within the time set forth in the Schedule of Performance, and if requested by Redeveloper, Agency shall assist Redeveloper in obtaining a letter from the City Building Department, in a form meeting Tax Credit Allocation Committee requirements, that Redeveloper is entitled to building permits for the Project upon payment of all required fees.

4.4.3.3 Agency shall cooperate with Redeveloper in reasonably considering revisions to this Agreement to conform the Agreement to the requirements of the Low Income Housing Tax Credit Program and the Tax Credit investors; provided, however, that nothing herein shall be construed as a warranty or guaranty that Agency shall approve such modifications to this Agreement and Agency shall not be obligated to increase the Agency Residual Receipts Loan. The Agency Executive Director shall have the authority, on behalf of the Agency to modify this Agreement as necessary in his/her good faith judgment to conform the Agreement to the requirements of the Low Income Housing Tax Credit Program and the Tax Credit investors so long as such modifications do not materially affect in a substantial manner the Agency's position with respect to Redeveloper's repayment of the Residual Receipts Promissory Note or increase the Agency Residual Receipts Loan; provided, however, that the Executive Director is not obligated to do so, and nothing herein shall be construed as a warranty or guaranty that the Executive Director shall so agree to modify this Agreement.

4.5 Financing of the Project – Construction Loan. Redeveloper shall obtain the Construction Loan such that when the available proceeds from the Construction Loan are combined with the Closing Tax Credit Equity Installment, the Redeveloper Fee and the available proceeds of the Agency Residual Receipts Loan, the Redeveloper will have sufficient funds to pay all of the total Construction Costs. The proceeds of the Construction Loan shall be used to defray the costs of Construction, as specified in the Project Budget. The terms and provisions of the Construction Loan shall be set forth in the Financing Plan.

4.6 Financing of the Project – Agency Residual Receipts Loan.

4.6.1 Agency Residual Receipts Loan. Subject to the terms and conditions of this Agreement, Agency shall pay to or for the benefit of Redeveloper the Agency Residual Receipts Loan consisting of One Million One Hundred Twenty-Five Thousand Dollars (\$1,125,000) cash and the Purchase Price in order to defray certain Project Property value and acquisition costs, and development costs and expenses, as specified in Exhibits "J-1 through J-3" of the Project Budget ("**Development Expenses**"), and insure that restrictive covenants, providing that the Units shall remain available at an Affordable Rent, run with the Project for fifty-five (55) years. The Agency Residual Receipts Loan shall consist entirely of Affordable Housing Funds, as defined in Section 1.1.2. Redeveloper shall use the Agency Residual Receipts Loan solely for the payment of Development Expenses in accordance with Exhibits "J-1" through "J-3" of the Project Budget. Redeveloper shall not be entitled to use any portion of the Agency Residual Receipts Loan to reimburse it for any internal management, administrative or

overhead expenses or for any purpose other than paying Development Expenses. As an inducement to Agency to make the Agency Residual Receipts Loan Redeveloper has agreed to enter into this Agreement and has agreed to the performance of the terms and conditions set forth in this Agreement.

4.6.1.1 Conditions Precedent to Disbursement of Agency Residual Receipts Loan. The disbursement of the Agency Residual Receipts Loan shall be subject to the satisfaction (or waiver by the Agency) of all of the conditions precedent set forth in this Section 4.6, as well as the conditions in Section 3.3.2.

4.6.1.1.1 Redeveloper has submitted evidence of insurance coverage(s) as required by this Agreement;

4.6.1.1.2 Redeveloper is in compliance with all of the terms, covenants, and conditions set forth in this Agreement; and

4.6.1.1.3 Redeveloper has submitted a fully executed original of the Residual Receipts Promissory Note to the Agency.

4.6.1.2 Procedure for Disbursement of Agency Residual Receipts Loan. The One Million One Hundred Twenty Five Thousand Dollars (\$1,125,000) cash shall be disbursed at the Close of Escrow, and the Purchase Price of Three Million Dollars (\$3,000,000) shall be disbursed through a recorded Grant Deed at the Close of Escrow.

4.6.1.3 Repayment of Agency Residual Receipts Loan. Redeveloper shall repay the Agency Residual Receipts Loan pursuant to the terms and conditions of the Residual Receipts Promissory Note attached to this Agreement as Exhibit "H". As provided in the Promissory Note, the Agency Residual Receipts Loan shall be payable in full, including accrued interest, fifty five (55) year from the date on which the Certificate of Completion is issued. Alternatively, if Redeveloper extends the affordability restrictions for twenty (20) additional years ("**Extended Affordability Period**"), the Residual Receipts Promissory Note shall be forgiven at the end of the Extended Affordability Period as provided in Section 4.6.1.3.8.

4.6.1.3.1 The Agency Residual Receipts Loan in the amount of One Million One Hundred Twenty Five Thousand Dollars (\$1,125,000) cash and the Purchase Price of Three Million Dollars (\$3,000,000) shall be used by the Redeveloper for the purpose of financing the acquisition of the Property, construction of the Project and for paying such ancillary costs as are consistent with the provisions of this Agreement.

4.6.1.3.2 The Agency Residual Receipts Loan shall be evidenced by the Residual Receipts Promissory Note, a copy of which is set forth as Exhibit "H" and incorporated herein by reference. The Residual Receipts Promissory Note shall bear interest at the rate of three percent (3%) simple interest per annum, and shall be paid from a portion of the Residual Receipts produced from the operation of the Project commencing upon the date that the Deferred Redeveloper Fee (if any) is paid in full.

4.6.1.3.3 Payments on the Residual Receipts
Promissory Note shall be applied in the following order: (i) to the payment of interest currently due, and (ii) to repayment of principal (including accrued interest added to principal).

4.6.1.3.4 Upon the satisfaction of certain conditions
described therein, the Residual Receipts Promissory Note shall become non-recourse to the Redeveloper, and as a consequence, no deficiency judgment may be obtained against the Redeveloper except for fraud, material misrepresentation, bad faith waste of or on the Project and such other matters as are described in the Residual Receipts Promissory Note.

4.6.1.3.5 The Residual Receipts Promissory Note
shall be secured by the Agency Deed of Trust, a copy of which is attached as Exhibit "H" to this Agreement and incorporated herein by reference. Any breach of or material misrepresentation by Redeveloper under this Agreement shall constitute an event of default under the Agency Deed of Trust.

4.6.1.3.6 Payment, Due Date. Annual or more frequent payments toward the principal and accrued interest shall not commence until the operation of the Project has generated Residual Receipts. Payment of fifty percent (50%) of the residual receipts produced from the Project, if any, for the immediately preceding year, shall be made by the Redeveloper to the Agency annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. Redeveloper shall annually provide Agency with an accounting acceptable to the Agency, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts.

4.6.1.3.7 Payment from Net Refinancing Proceeds.
Redeveloper shall provide payment to the Agency in an amount equal to the lesser of: (i) 67% of the net proceeds from each refinancing loan after the initial permanent financing loan, or (ii) the outstanding balance of the Residual Receipts Promissory Note.

4.6.1.3.8 Redeveloper Option to Extend Repayment
Date. Notwithstanding Section 4.6.1.3 above, Redeveloper may elect to extend the repayment of the Residual Receipts Promissory Note for an additional twenty (20) year period ("**Extended Affordability Period**") beyond the fifty-fifth (55th) anniversary date of the Certificate of Completion conditioned on the continuation of the affordability restrictions in accordance with the Regulatory Agreement. If Redeveloper extends the affordability restrictions for the Extended Affordability Period, as provided for herein, at any time on or after the seventy-fifth (75th) anniversary date of the Certificate of Completion, Redeveloper may request in writing that all then unpaid and accrued principal and interest of the Agency Residual Receipts Loan be deemed paid in full and all obligations under the Residual Receipts Promissory Note and Deed of Trust be deemed satisfied, provided that Redeveloper has at all times prior to the date of such request and as of the date of such request continues to operate the Project in accordance with the Regulatory Agreement.

4.6.1.3.9 Cost Reductions or Increases; Additional
Financing Sources. The Parties acknowledge and agree that the Agency Residual Receipts Loan

is intended to partially finance the financing "gap" of the Project (the amount needed to pay the excess of the Total Project Costs over the financing and other funding sources available to the Redeveloper for acquisition or Construction of the Project), but in no event to provide funding (when combined with all other sources of financing and other funding sources available to the Redeveloper for acquisition or Construction of the Project) in excess of the Total Project Costs:

In no event shall the Agency Residual Receipts Loan be used to pay the developer fee. If the Actual Project Costs are less than the Total Project Costs (the difference between the Actual Project Costs and the Total Project Costs being a "**Cost Reduction**"), then the Cost Reduction shall first be applied to reduce the Deferred Redeveloper Fee, then to reduce the principal amount of the Agency Residual Receipts Loan. If the Actual Project Costs exceed the sum of all financing and other funding sources available to the Redeveloper for acquisition or Construction of the Project (the difference being a "**Project Deficit**"), the Redeveloper shall be solely responsible for causing payment (either through third party financing or Redeveloper funds) the Project Deficit. If the Actual Project Costs are less than the sum of the financing and other funding sources available to Redeveloper for acquisition or Construction of the Project (the difference being a "**Project Surplus**"), then the Project Surplus shall first be applied to pay the Deferred Redeveloper Fee, then to reduce or repay the principal amount of the Agency Residual Receipts Loan. Notwithstanding any other provision of this Section 4.6.1.3.9, if the Redeveloper or the Project receives an award of Affordable Housing Program funds ("**AHP Funds**"), these AHP Funds shall first be applied to pay any remaining Project Deficit then to pay Deferred Redevelopment Fee, and then to reduce or repay the principal amount of the Agency Residual Receipts Loan.

ARTICLE 5

DEVELOPMENT OF THE PROJECT

5.1 Development of Project and Property. It is the intent of the Parties that the Property be developed as follows: the construction on the Property of the Project comprised of one (1) un-restricted residential unit for an on-site manager and seventy-four (74) very low and low income senior affordable housing rental Units as described in Section 6.1, together with all on and off site improvements such as streets, curbs, sidewalks, storm drains, gutter, utilities, etc (e.g., the public improvements necessary for the development of the Property). The Project is more particularly described in the Scope of Development, Exhibit "C".

5.1.1 Redeveloper shall obtain a Certificate of Completion, as described herein, within twenty four (24) months after the Close of Escrow. Failure to obtain a Certificate of Completion within such timeframe shall constitute default by Redeveloper under this Agreement.

5.1.2 The City's zoning ordinance and the City's building requirements shall be applicable to the use and development of the Property pursuant to this Agreement. Redeveloper acknowledges that any change in the plans for development of the Project on the Property as set forth in the Scope of Development shall be subject to the City's zoning ordinance and building requirements. No action by Agency or the City with reference to this Agreement or related documents shall be deemed to constitute a waiver of any City requirements which are applicable to the Property or to Redeveloper, any successor in interest of Redeveloper or any successor in interest pertaining to the Property.

5.1.3 The Property shall be developed and completed in substantial conformance with the approved Scope of Development and any and all other plans, specifications and similar development documents required by this Agreement, except Redeveloper shall have the right to make nonmaterial changes without Agency consent. The approval by the City shall be deemed to be approval by Agency of the preliminary and final construction plans for the Project and preliminary and final landscaping plans, if such plans approved by the City are reasonably consistent with the Scope of Development. For purposes hereof, a change shall be deemed to be "material" if such change (a) involves a change to the number, size or bedroom count of the units in the Project, the affordability levels or income limitations for tenants of the Project, the architectural design, value or quality of the Project or the quality of materials used in construction of the Project, or (b) together with all other changes, causes an increase or decrease to the Project Budget in excess of \$250,000.

5.1.4 The approval of the Scope of Development by Agency shall not be binding upon the City Council of the City or the Planning Commission of the City with respect to any regulatory approvals relating to the development of the Project and/or the public improvements necessary for the development of the Property as may be required by such other bodies. If any material change of the Scope of Development as previously approved by Agency shall be required by another government official, agency, department or bureau having jurisdiction over the development of the Property, Redeveloper and Agency shall cooperate in efforts to obtain waivers of such revisions, or to obtain approvals of any such revisions which have been made by Redeveloper and have thereafter been approved by Agency. Agency shall not unreasonably withhold or delay approval of such revisions to the Scope of Development; provided however that no such change may result in the reduction of the number of Units that shall be constructed by Redeveloper and reserved for lease and occupancy by Qualified Households.

5.1.5 Notwithstanding any provision to the contrary in this Agreement, Redeveloper agrees to obtain all necessary permits, follow all necessary processes and pay all necessary fees relating to the completion of the Project on the Property. Redeveloper further agrees to accept and comply fully with any and all lawful conditions of approval applicable to all permits and other governmental actions affecting the development of the Property and consistent with this Agreement.

5.1.6 Redeveloper shall have the right during the course of construction to make changes in construction concerning the interior design of the Units and minor field changes with respect to the Units, and to make minor field changes to the public improvements necessary for the development of the Project on the Property without seeking the approval of Agency; provided, however, that such changes do not affect the type of use to be conducted within all or any portion of a Unit or the ability of the City to accept the completion of the public improvements necessary for the development of the Project on the Property; and further provided that the City has approved any such minor field change to either a Unit or the public improvements necessary for the development of the Project on the Property in accordance with the standards and practices of the City Building Department and/or City Public Works Department, as applicable. The term "minor field changes" shall be defined as those changes from the approved final construction drawings, plans and specifications which have no substantial effect on the improvements and are made in order to expedite the work of

construction in response to field conditions. Nothing contained in this Section 5.1.6 shall be deemed to constitute a waiver of or change in the City's Building Code or Public Works Department requirements governing such minor field changes or in any and all approvals by the City otherwise required for such minor field changes.

5.1.7 Except as otherwise specified in this Agreement, the cost of constructing the Project on the Property and all other improvements on the Property shall be paid for by Redeveloper.

5.1.8 Subject to force majeure delays, Redeveloper shall begin and complete all construction and development and undertake all obligations and responsibilities of Redeveloper within the times specified in the Schedule of Performance, or within such extensions of such times as may be expressly granted by Agency in writing. The Schedule of Performance shall be subject to revision from time to time as mutually agreed upon in writing by and between Redeveloper and Agency. Any and all deadlines for performance by the Parties shall be extended for any time attributable to delays which are not the fault of the performing Party and are caused by the other Party, other than periods for review and approval or reasonable disapprovals of plans, drawings and related documents, specifications or applications for permits as provided in this Agreement.

5.1.9 Prior to and during the period of construction of the Project on the Property and the public improvements necessary for the development of the Property, Redeveloper shall submit to Agency written progress reports when and as reasonably requested by Agency, but in no event more frequently than once every four (4) weeks. The reports shall be in such form and detail as may reasonably be required by Agency. In addition, Redeveloper shall attend Agency meetings when requested to do so by Agency staff.

5.1.10 Redeveloper shall, at its own expense, secure or shall cause to be secured, any and all permits which may be required for such construction, development or work by the City or any other governmental agency having jurisdiction thereof. Agency shall cooperate in good faith with Redeveloper in Redeveloper's efforts to obtain from the City or any other appropriate governmental agency any and all such permits upon completion of applicable portions of the development of the Project on the Property, certificates of occupancy.

5.1.11 Officers, employees, agents or representatives of Agency and the City shall have the right of reasonable access to the Project and the Property, without the payment of charges or fees, during Normal Business Hours during the period of construction in order to inspect the work being performed in constructing the Project on the Property and to ensure that Redeveloper is complying with this Agreement. Such officers, employees, agents or representatives of Agency and/or the City shall be those persons who are so identified by the Executive Director. Any and all officers, employees, agents or representatives of Agency and the City who enter the Property pursuant hereto shall identify themselves at the Project office upon their entrance on to the Property and shall at all times be accompanied by a representative of Redeveloper while on the Property; provided, however, that Redeveloper shall make a representative of Redeveloper available for this purpose at all times during Normal Business Hours upon reasonable notice from Agency. Agency shall indemnify, defend and hold Redeveloper harmless from injury, property damage or liability arising out of the exercise by

Agency and/or the City of this right of access, other than injury, property damage or liability relating to the negligence of Redeveloper or its officers, agents or employees.

5.1.12 Agency shall inspect relevant portions of the construction of the Project on the Property prior to issuing any written statements reflecting adversely on Redeveloper's compliance with the terms and conditions of this Agreement pertaining to development of the Project on the Property; provided however, that Redeveloper has not objected to such an inspection by Agency or otherwise prevented Agency from conducting such an inspection.

5.1.13 The Redeveloper, for itself and its successors agrees that in the construction of the improvements provided for in this agreement, the Redeveloper will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

5.1.14 The Agency, without expense to the Redeveloper or assessment or claim against the Site, shall perform all obligations specified in the Scope of Development that the Agency is required to perform within the times specified in the Schedule of Performance, subject to force majeure delays and extensions of time granted by Redeveloper.

5.2 Insurance. The Redeveloper, to protect the Agency Parties against any and all claims and liability for death, injury, loss and damage resulting from the Redeveloper's actions in connection with this Agreement, the Property and the Project, shall secure and maintain the insurance coverage, described in and required by this 5.2, through the life of the affordability covenants (which shall run for a period of fifty-five (55) years following issuance of the Certificate of Completion for the Project), subject to the provisions of 5.2.8, without limiting any insurance coverage required to be obtained or maintained by the Redeveloper pursuant to any other document associated with this Agreement. The Redeveloper shall maintain the following insurance coverage in full force and effect, through the life of the affordability covenants, subject to 5.2.8:

5.2.1 Workers' Compensation Insurance. The Redeveloper shall submit written proof that the Redeveloper is insured against liability for workers' compensation in accordance with the provisions of Section 3700 of the Labor Code. By executing this Agreement, the Redeveloper makes the following certification, required by Section 1861 of the Labor Code:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of the Agreement.

5.2.2 Property Casualty Insurance. Insurance coverage insuring the Property and the Project against damage or loss by fire and such other hazards (including lightning, windstorm, hail, explosion, riot, acts of striking employees, civil commotion, vandalism, malicious mischief, aircraft, vehicle, and smoke) as are covered by the broadest form of extended coverage endorsement available from time to time, in an amount not less than the full insurable value of the Property and the Project, with a deductible amount not to exceed Twenty-Five Thousand Dollars (\$25,000), providing all of the following coverage:

5.2.2.1 Against damage or loss by flood, if the Property is located in an area identified by the United States Secretary of Housing and Urban Development or any successor or other appropriate authority (governmental or private) as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, modified, supplemented, or replaced from time to time, on such basis and in such amounts as the Agency may require;

5.2.2.2 A Builder's All Risk policy, with extended coverage, with course of construction and completed value endorsements, for an amount at least equal to the full insurable value of the Project, without gaps or lapsed coverage, for any completed portion of the Project; and

5.2.2.3 Against damage or loss by earthquake, in an amount and with a deductible satisfactory to the Agency, if and to the extent such insurance is then customarily required by Lenders holding security interests in property comparable to, and in the general vicinity of, the Property.

5.2.2.4 Against damage or loss from perils of terrorism and acts of terrorism, if and to the extent such insurance is then customarily required by Lenders holding security interests in property comparable to, and in the general vicinity of, the Property.

5.2.3 Commercial General Liability Insurance. Commercial General Liability Insurance coverage, including, but not limited to, premises-operations, contractual liability (specifically covering all indemnity and defense obligations of the Redeveloper pursuant to this Agreement), products-completed operations hazards, personal injury (including bodily injury and death), and broad form property damage for liability arising out of the construction and installation of the Project and/or the Redeveloper's operation of the Property and/or the Project. The commercial general liability insurance coverage shall have minimum limits for bodily injury and property damage liability of ONE MILLION DOLLARS (\$1,000,000) each occurrence and/or TWO MILLION DOLLARS (\$2,000,000) aggregate.

5.2.4 Automobile Liability Insurance. Automobile Liability Insurance coverage against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used by the Redeveloper, with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS (\$1,000,000) each occurrence. Such insurance shall be provided by a business or commercial vehicle policy.

5.2.5 Professional Errors and Omissions Insurance. If the Redeveloper hires a consultant to provide design services, such as architectural or engineering services in connection with all or any portion of the Project, the Redeveloper shall require each such consultant to provide professional liability (errors and omissions) insurance, for liability arising out of, or in connection with, the performance of such design services, with limits of not less than ONE MILLION DOLLARS (\$1,000,000).

5.2.6 Contractor's Insurance. During the construction or the installation of the Project, the Redeveloper shall require that each contractor performing work on the Project maintain the following insurance coverage, at all times during the performance of such work:

~~5.2.6.1~~ The Redeveloper shall maintain Builder's Risk Insurance to be written on an All Risk Completed Value form, in an aggregate amount equal to One Hundred Percent (100%) of the full insurable value of the Project.

5.2.6.2 Each general contractor and each sub-contractor shall maintain Commercial General Liability Insurance coverage with limits of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate to protect the Redeveloper during the construction and installation of the Project from claims involving bodily injury and/or death and damage to the property of others.

5.2.6.3 Each general contractor and each sub-contractor shall maintain Automobile Liability Insurance coverage against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used in the performance of the contractor's obligations with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS (\$1,000,000) each occurrence. Such automobile liability insurance shall be provided by a business or commercial vehicle policy.

5.2.6.4 Each general contractor and each sub-contractor performing work of construction or installation of the Project shall provide workers' compensation coverage for all of such general contractor's or such sub-contractor's employees, unless the general contractor's or sub-contractor's employees are covered by workers' compensation insurance provided by the Redeveloper. If any class of employees engaged in work or services performed in connection with the Project, is not covered by Labor Code Section 3700, the Redeveloper shall provide and/or require each general contractor or sub-contractor to provide adequate workers' compensation insurance covering such employees.

5.2.7 The Commercial General Liability Insurance coverage required herein shall include an endorsement naming the Agency Parties, as additional insured for liability arising out of or relates to this Agreement or the construction or installation of the Project.

5.2.8 If any of the insurance coverage required under this Agreement is written on a claims-made basis, such insurance policy shall provide an extended reporting period continuing through the fifth (5th) anniversary of the Occupancy Date. The requirements of this Section 5.2.8 shall survive any expiration or termination of this Agreement and the recordation of the Agency Deed and a Certificate of Completion for the Project.

5.2.9 Subject to Section 5.2.8, all of the insurance coverage required under this Section 5.2 shall be maintained by the Redeveloper or its contractors, as required by the terms of this Agreement, and shall not be reduced, modified, or canceled without, at least, thirty (30) calendar days prior written notice to the Agency. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates of insurance or any coverage for the Agency Parties. The Redeveloper shall immediately obtain replacement coverage for any

insurance policy that is terminated, canceled, non-renewed, or whose policy limits are exhausted or upon insolvency of the insurer that issued the policy.

5.2.10 All insurance obtained and maintained by the Redeveloper in satisfaction of the requirements of this Agreement shall be fully paid for and non-assessable.

5.2.11 Failure by the Redeveloper to maintain all insurance coverage required by this Section 5.2 in effect, as required in this Section 5.2, shall be an Event of Default by the Redeveloper. The Agency, at its sole option, may exercise any remedy available to it in connection with such an Event of Default. Alternatively, the Agency may, at its sole option, purchase any such required insurance coverage and the Agency shall be entitled to immediate payment from the Redeveloper of any premiums and associated costs paid by the Agency for such insurance coverage. Any election by the Agency to purchase or not to purchase insurance otherwise required by the terms of this Agreement to be carried by the Redeveloper shall not relieve the Redeveloper of its obligation to obtain and maintain any insurance coverage required by this Agreement.

5.3 Forms of Insurance Policies; Additional Insured Endorsements; Carrier Requirements; Evidence Of Insurance.

5.3.1 All insurance to be obtained and maintained by the Redeveloper under this Section 5.2 shall be issued by a company or companies listed in the then current "Best's Key Rating Guide" publication with a minimum of an "A;VIII" rating and be admitted to conduct business in the State of California by the State of California Department of Insurance.

5.3.2 Primary Insured. The Redeveloper shall be the first or primary named insured on each policy of insurance obtained or maintained by the Redeveloper in satisfaction of the insurance requirements of this Agreement.

5.3.3 Additional Insured Endorsements. The Agency Parties shall be named by endorsement as additional insured under the Redeveloper's commercial general liability insurance policy on an ISO Form CG 20 11 11 85 or equivalent form acceptable to the Agency, with such modifications as the Agency may require. The Agency Parties shall also be named as additional insured under the Redeveloper's automobile liability insurance policies on an endorsement form acceptable to the Agency.

5.3.4 Cross-Liability; Severability of Interests. The Redeveloper's commercial general liability and automobile liability policies shall be endorsed to provide cross-liability coverage for the Redeveloper and the Agency Parties and to provide severability of interests.

5.3.5 Primary Insurance Endorsements for Additional Insured. The Redeveloper's commercial general liability and automobile liability insurance policies shall be endorsed to provide that the insurance afforded by those policies to the additional insured is primary and that all insurance carried by the Agency Parties is strictly excess and secondary and shall not contribute with the Redeveloper's commercial general liability or automobile liability insurance policies.

5.3.6 Scope of Coverage for Additional Insured. The coverage afforded to the Agency Parties as additional insured under any policy of insurance obtained or maintained by the Redeveloper in satisfaction of the insurance requirements of this Agreement must be at least as broad as that afforded to the Redeveloper and may not contain any terms, conditions, exclusions, or limitations applicable to the Agency Parties that do not apply to the Redeveloper.

5.3.7 Delivery of Certificate, Policy, and Endorsements. Before the Close of Escrow, the Redeveloper shall deliver to the Agency all endorsements required by this Section 5.3 and original certificates of insurance for each insurance policy required to be obtained and maintained by the Redeveloper under Section 5.2, executed by an authorized agent of the insurer or insurers, evidencing compliance with the liability insurance requirements of this Agreement. The certificates shall provide for no less than thirty (30) calendar days' advance written notice to the Agency from the insurer or insurers of any cancellation, non-renewal, or material change in coverage or available limits of liability and shall confirm compliance with the liability insurance requirements of this Agreement. The Redeveloper shall also deliver all required endorsements and certificates to the Agency: (a) at least thirty (30) calendar days before the expiration date of any insurance policy and (b) upon renewal of any insurance policy. Upon request from the Agency, the Redeveloper shall deliver certified copies of all insurance policies obtained or maintained by the Redeveloper in satisfaction of the insurance requirements of this Agreement. Receipt by the Agency of evidence of insurance that does not comply with the requirements of this Agreement shall not constitute a waiver of the insurance requirements of this Agreement.

5.3.8 Concurrency of Primary, Excess, and Umbrella Policies. The Redeveloper's liability insurance coverage may be provided by a combination of primary, excess, and umbrella policies, but those policies must be absolutely concurrent in all respects regarding the coverage afforded by the policies. The coverage of any excess or umbrella policy must be at least as broad as the coverage of the primary policy.

5.3.9 Insurance Independent of Indemnification. The insurance requirements set forth in Section 5.2 and this Section 5.3 are independent of the Redeveloper's indemnification and other obligations under this Agreement and shall not be construed or interpreted in any way to satisfy, restrict, limit, or modify the Redeveloper's indemnification or other obligations or to limit the Redeveloper's liability under this Agreement, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall the provision of such insurance preclude the Agency from taking such other actions as are available to it under any other provision of this Agreement or otherwise at law or in equity.

5.3.10 Deductibles and Self-Insured Retentions. All deductibles and self-insured retentions under the Redeveloper's policies are subject to the Agency's prior written approval. The Redeveloper shall pay any and all deductibles and self-insured retentions under all insurance policies issued in satisfaction of the terms of this Agreement regarding any claims relating to the Agency Parties.

5.3.11 No Agency Representation Regarding Adequacy of Insurance. The Agency makes no representation that the limits or forms of insurance coverage specified in this

Agreement are adequate to cover the Redeveloper's property, business operations or obligations under this Agreement.

5.3.12 Waiver Of Subrogation. The Redeveloper shall cause each of the carriers issuing any insurance policy obtained or maintained in satisfaction of the insurance requirements of this Agreement to waive any right of subrogation that such carrier may have or acquire in the future against any or all of the Agency Parties in a form acceptable to the Agency.

5.3.13 No Separate Insurance. The Redeveloper shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under Section 5.2, unless endorsed in favor of the Agency, as required by Section 5.2 or this Section 5.3.

5.3.14 Full Insurable Value. For purposes of this Agreement, the term "full insurable value" means the actual cost of replacing the property in question, without allowance for depreciation, as calculated from time to time (but not more often than once every calendar year) by the insurance company or companies providing such insurance or, at the Agency's request, by appraisal made by an appraiser, engineer, architect, or contractor proposed by the Redeveloper and approved by said insurance company or companies and the Agency. The Redeveloper shall pay the cost of any such appraisal.

5.3.15 Approval Not Warranty. No approval by the Agency of any insurer may be construed to be a representation, certification, or warranty of its solvency and no approval by the Agency as to the amount, type, or form of any insurance may be construed to be a representation, certification, or warranty of its sufficiency by the Agency.

5.4 Employment of Compton Residents. The Redeveloper understands and agrees in the fulfillment of the provisions of this Agreement and complying with the City Council request, the creation of new jobs from this Project shall be filled with residents from the City of Compton, without regard to race, color, creed, religion, sex, mental status, ancestry, or national origin, to the extent that it is practicable and reasonable. Redeveloper hereby agrees that.

5.4.1 During the development of the Site as provided herein, Developer shall cause its contractors and subcontractors ("Contractors") to provide to Agency a list of job positions, if any, which such Contractors intend to fill with new employees in order to develop the Site together with a list of hiring criteria and job requirements for potential employees; and

5.4.2 Prior to hiring employees for the initial opening of business operations on the Site, Developer and/or Developer's tenants on the Site, as applicable, will provide to Agency the number of positions projected to be created initially by such operations and a list of hiring criteria and job requirements for potential employees.

5.4.3 Agency and/or the City may then choose to post such information on its CareerLink service or provide to Redeveloper, tenants and/or contractors, as applicable, a list of potential qualified applicants (i.e., those applicants meeting the stated hiring criteria). Developer agrees, and shall cause the tenants and contractors to agree, to review and fairly consider for employment those qualified applicants. Nothing contained herein shall be deemed to require

Developer or any tenant to or contractor alter its standard hiring criteria and/or practices nor violate any Federal, state or local laws regarding discrimination with respect to any person.

5.5 Prevailing Wage Requirements. Redeveloper shall carry out its construction of ~~the Project on the Property and the public improvements necessary for the development of the~~ Property in conformity with all applicable laws, including all applicable State of California labor standards and requirements and with respect to the development of the Property. Redeveloper hereby agrees to indemnify, defend and hold Agency Parties harmless from and against any and all claims, losses, costs, expenses and liabilities arising out of or related to Redeveloper's failure to comply with any and all applicable prevailing wage requirements or to require its subcontractors to comply with the requirements of this Section 5.5.

5.6 Property Taxes and Assessments. Redeveloper shall pay prior to the delinquency all real property taxes and assessments assessed and levied on or against the Property subsequent to the Close of Escrow. Nothing herein contained shall be deemed to prohibit Redeveloper from contesting the validity or amounts of any tax assessment, encumbrance or lien, nor to limit the remedies available to Redeveloper in respect thereto, or for claiming exemptions available under California Revenue & Taxation Code Section 214 (g).

5.7 Security Financing; Right of Holders.

5.7.1 Notwithstanding any provision of Section 1.5 to the contrary, any First Mortgage Financing required for any reasonable method of financing the construction and improvement of the Property is permitted before the recordation of any Certificate of Completion. Redeveloper shall notify Agency in writing in advance of any Lien if Redeveloper proposes to enter into the same before the recordation of any Certificate of Completion. Redeveloper shall not enter into any such Lien without first providing written notice to Agency. The following restrictions apply to any Lien: (i) it must be given to a responsible financial or lending institution including, without limitation, banks, savings and loan institutions, insurance companies, real estate investment trusts, pension programs and the like, or other acceptable persons or entities for the purpose of financing the construction of the Project on the Property, and (ii) any Loan made in connection with the Lien must contain customary construction lender disbursement controls.

5.7.2 Redeveloper shall promptly notify Agency of any Lien that has been created or attached thereto prior to completion of the construction of the Project on the Property whether by voluntary act of Redeveloper or otherwise.

5.7.3 The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no manner be obligated by the provisions of this Agreement to construct the Project on the Property or to guarantee such construction or completion; however, no such holder shall devote the Property to any other use, or to construct any other improvement thereon, except those uses or improvements provided for or authorized by this Agreement.

5.7.4 Whenever Agency shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper in the completion of construction of the Project

on the Property, or any breach or default of any other obligations which, if not cured by Redeveloper, entitle Agency to terminate this Agreement or exercise its right to re-enter the Property, or a portion thereof, Agency shall at the same time deliver to each holder of record of any Lien authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of Agency are concerned) have the right, at its option, to commence the cure or remedy of any such default and to diligently and continuously proceed with such cure or remedy, within sixty (60) calendar days after the receipt of the notice; and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession, such holder shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within sixty (60) calendar days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced, within such sixty (60) calendar day period, such holder shall have such additional time as is reasonably necessary to remedy or cure such default of Redeveloper, not to exceed one hundred eighty (180) calendar days. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Project on the Property (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Redeveloper's obligations by written agreement satisfactory to Agency. The holder in that event must agree to complete, in the manner provided in this Agreement, the improvements to which the Lien relates and must submit evidence satisfactory to Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder completing such improvements in accordance herewith shall be entitled, upon written request made to Agency, to be issued the Certificate of Completion by Agency.

5.7.5 In any case where, one hundred eighty (180) calendar days after default by Redeveloper under this Agreement, the holder of any such Lien has not exercised the option to construct the applicable portions of the Project on the Property, or has exercised the option but has not proceeded diligently and continuously with the completion of the construction of the Project on the Property, then in such event, Agency may purchase the Lien by payment to the holder of the amount of the unpaid debt, including principal, accrued and unpaid interest, late charges, costs, expenses and other amounts payable to the holder by Redeveloper under the loan documents between holder and Redeveloper. If the ownership of the Property has vested in the holder, Agency, if it so desires, shall be entitled to a conveyance from the holder to Agency upon payment to the holder of an amount equal to the sum of the following:

5.7.5.1 The unpaid Lien debt, including principal, accrued and unpaid interest, late charges, costs, expenses and other amounts payable to the holder by Redeveloper under the loan documents between the holder and Redeveloper, at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings.)

5.7.5.2 All expenses, if any, incurred by the holder with respect to foreclosure.

5.7.5.3 The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent ownership or management of the Property, such as insurance premiums and real estate taxes.

~~5.7.5.4 The cost of any improvements made by such holder that are~~
required by this Agreement or applicable law.

5.7.5.5 An amount equivalent to the interest that would have accrued on the aggregate on such amounts had all such amounts become part of the Lien had the Lien continued in existence to the date of payment by Agency.

5.7.6 In the event of a default or breach by Redeveloper of a Lien with respect to the Property (or any portion thereof) prior to the issuance of a Certificate of Completion for the Project, and the holder has not exercised its option to complete the development, Agency may cure the default but is under no obligation to do so prior to completion of any foreclosure. In such event, Agency shall be entitled to reimbursement from Redeveloper of all costs and expenses incurred by Agency in curing the default, and such obligations shall be secured by the Deed of Trust.

5.8 Certificate of Completion.

5.8.1 Following the written request therefor by Redeveloper and the completion of construction of the Project on the Property, excluding minor building punch-list items to be completed by Redeveloper upon any Unit in the Project, Agency shall furnish Redeveloper with a Certificate of Completion for the Project, substantially in the form set forth in Exhibit "F", and such Certificate of Completion shall be recorded after Redeveloper's completion of construction of the Project on the Property if requested by Redeveloper. Notwithstanding any provision set forth herein to the contrary, the completion of construction of the Project on the Property shall include the completion of construction of all of the Units on the Property and any and all on-site parking, common area landscaping and related improvements necessary to support or which meet the requirements applicable to occupancy of each Unit comprising the Project.

5.8.2 Agency shall not unreasonably withhold the issuance of a Certificate of Completion. A Certificate of Completion shall be, and shall so state, that it is a conclusive determination of satisfactory completion of all of the construction obligations of this Agreement. After the recordation of the Certificate of Completion, any party thereafter leasing or otherwise acquiring any interest in a Unit shall not (because of such lease or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by the Regulatory Agreement and any covenants contained in the Agency Grant Deed or other instrument of transfer, which Agency Grant Deed or other instrument of transfer shall include the applicable provision of Section 6.2.1 of this Agreement.

5.8.3 The Certificate of Completion shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County, California.

5.8.4 If Agency refuses or fails to furnish a Certificate of Completion after written request from Redeveloper, Agency shall, within fifteen (15) calendar days of the written request or within three (3) calendar days after the next regular meeting of Agency, whichever

date occurs later, provide to Redeveloper a written statement setting forth the reasons with respect to Agency's refusal or failure to furnish a Certificate of Completion. The statement shall also contain Agency's opinion of the action Redeveloper must take to obtain a Certificate of Completion. If the reason for such refusal is confined to the immediate unavailability of specific ~~items or materials for construction or landscaping at a price reasonably acceptable to~~ Redeveloper or other minor building "punch-list" items, Agency may issue its Certificate of Completion upon the posting of a bond or irrevocable letter of credit, reasonably approved as to form and substance by Agency Counsel and obtained by Redeveloper in an amount representing a fair value of the work not yet completed as reasonably determined by Agency. If Agency shall have failed to provide such written statement within the foregoing period, Redeveloper shall be deemed conclusively and without further action of Agency to have satisfied the requirements of this Agreement with respect to the construction of the Project on the Property as if a Certificate of Completion had been issued therefore.

5.8.5 A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Redeveloper to any holder of a Lien securing money loaned to finance the construction of the Project on the Property, or any part of the Project. A Certificate of Completion shall not be deemed to constitute a notice of completion as referred to in California Civil Code Section 3093, nor shall it act to terminate the continuing covenants or conditions subsequent contained in the Agency Grant Deed.

ARTICLE 6

USE OF THE PROPERTY

6.1 Project Restricted to Qualified Households. As more particularly provided in the Regulatory Agreement, Redeveloper covenants and agrees for itself, its successors, and assigns that seventy-four (74) Units in the Project remain available at an Affordable Rent to Qualified Households for a period of fifty-five (55) years following issuance of the Certificate of Completion for the Project subject to the following Unit occupancy restrictions:

6.1.1 At least fourteen (14) One Bedroom Units shall be occupied or available for occupancy by Senior 50% Households;

6.1.2 At least forty-six (46) One Bedroom Units shall be occupied or a available for occupancy by Senior 60% Households;

6.1.3 At least two (2) Two Bedroom Units shall be occupied or available for occupancy by Senior 50% Households;

6.1.4 At least twelve (12) Two Bedroom Units shall be occupied or available for occupancy by Senior 70% Households.

6.2 Obligation to Refrain from Discrimination. Redeveloper covenants and agrees for shall refrain from restricting the rental, sale or lease of the Site or improvements thereon on any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code.

Notwithstanding the foregoing, notwithstanding subdivision (a), with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the California Government Code shall apply to subdivision (a).

All deeds, leases or contracts relating to the Site or the Project to contain and be subject to the following nondiscrimination or nonsegregation clauses:

In Deeds. In deeds: "The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

In Leases. In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in

said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

In Contracts. In contracts: "There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

6.3 Effect and Duration of Covenants. The covenants of this Article 6 shall run with the land and be binding on successive owners of the Property. Each such covenant shall survive the Close of Escrow, execution and recordation of the Agency Deed and issuance and recordation of a Certificate of Completion, Certificate of Occupancy and any other document related to conveyance of the Property or construction or installation of the Project, for the time period specified herein. The covenants established against discrimination shall remain in effect in perpetuity. Subject to the provisions of Section 4.6.1.3.8, the covenants respecting use, occupancy and maintenance of the Project shall remain in effect for a period of fifty-five (55) years following issuance of the Certificate of Completion. All of the covenants set forth in Article 6 shall run with the land and shall constitute equitable servitudes thereon, and shall, without regard to technical classification and designation, be binding for the benefit and in favor of Agency, its successors and assigns and the City.

Agency may enforce the terms and provisions of this Agreement and the covenants running with the land for and in its own rights and for the purposes of protecting the interests of the community. Agency shall have the right, if such covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or such other proper proceedings to enforce the curing of such breaches to which it or any other beneficiary of such covenants may be entitled, including, without limitation, to specific performance, damages and injunctive relief. Agency shall have the right to assign all of its rights and remedies hereunder to the City.

ARTICLE 7

DEFAULTS, REMEDIES AND TERMINATION

~~7.1 Events of Defaults. Each of the following shall constitute an "Event of Default".~~

7.1.1 The Redeveloper fails to make any payment or any deposit of funds or provide any bond or other security required under this Agreement or to pay any other charge set forth in this Agreement, following seven (7) days' after written notice of such failure to the Redeveloper from the Agency.

7.1.2 Subject to the extensions of time set forth in Section 7.6 hereof, failure or delay by either Party to perform any term or provision of this Agreement or any document executed by Redeveloper in favor of Agency under this Agreement (including the Deed of Trust and the Regulatory Agreement) that does not require the payment of money shall constitute an "Event of Default" under this Agreement that if such Party fails to commence to cure, correct or remedy such default within thirty (30) calendar days after written notice specifying such default or thereafter fails to diligently and continuously prosecute such cure, correction or remedy to completion.

7.1.3 Any failure or delays by either Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

7.1.4 Any default by the Redeveloper under the Regulatory Agreement, that is not curable or, if curable, is not cured to the Agency's satisfaction within thirty (30) days following written notice of the default to the Redeveloper from the Agency.

7.1.5 Any representation, warranty or disclosure made to the Agency by the Redeveloper regarding this Agreement or the Project is materially false or misleading as of the date made, whether or not such representation or disclosure appears in this Agreement.

7.1.6 Any material deviation in the work of construction or installation of the Project from the approved Scope of Development, without the prior written approval of the Agency.

7.1.7 The appearance of defective workmanship or materials and such defects are not corrected or substantially corrected, within thirty (30) days after receipt of written notice of such defective workmanship or materials to the Redeveloper from the Agency.

7.1.8 Any portion of the Project encroaches over the Property boundaries or setback lines or violates any easement rights and the condition is not corrected, within thirty (30) days following written notice of such encroachment or violation to the Redeveloper from the Agency.

7.1.9 The development of the Project does not proceed with due diligence, or does not comply with the deadlines in the Schedule of Performance, subject to force majeure delay.

~~7.1.10 There occurs any event of dissolution, reorganization or termination of the~~
Redeveloper.

7.1.11 The occurrence of a Transfer, whether voluntarily or involuntarily or by operation of law, in violation of the terms and conditions of this Agreement.

7.1.12 The Redeveloper becomes insolvent or a receiver is appointed to conduct the affairs of the Redeveloper under state or federal law;

7.1.13 The Redeveloper's legal status as a California corporation authorized by the Secretary of State of the State of California to transact business in California is suspended or terminated.


7.2 Legal Actions.

7.2.1 In addition to any other rights or remedies, upon an Event of Default by a Party, the other Party may terminate this Agreement and/or institute legal action to cure, correct or remedy any default, to recover damages for any default (subject to the pre-closing liquidated damages provisions below), or to obtain any other remedy. Such legal actions must be instituted in the Superior Court of the Los Angeles County, California, or in any other appropriate court in Los Angeles County, California.

7.2.1.1 The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

7.3 PRE-CLOSING LIQUIDATED DAMAGES TO THE AGENCY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, THE AGENCY MAY CANCEL THE ESCROW AND TERMINATE THIS AGREEMENT UPON CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT, THE AGENCY SHALL BE RELIEVED OF ANY OBLIGATION OF THE AGENCY UNDER THIS AGREEMENT TO SELL OR CONVEY THE PROPERTY TO THE REDEVELOPER. ANY SUCH ESCROW CANCELLATION AND TERMINATION OF THIS AGREEMENT SHALL BE WITHOUT ANY LIABILITY OF THE AGENCY TO THE REDEVELOPER OR ANY OTHER PERSON ARISING FROM SUCH ACTION. THE AGENCY AND THE REDEVELOPER ACKNOWLEDGE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY THE AGENCY, IN THE EVENT OF A CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW. HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES THE AGENCY WOULD SUFFER, IN THE EVENT OF A CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE

REDEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, THE AGENCY AND THE REDEVELOPER AGREE THAT A REASONABLE ESTIMATE OF THE AGENCY'S DAMAGES IN SUCH EVENT IS THE PRE-CLOSING LIQUIDATED DAMAGES AMOUNT. THEREFORE, UPON THE CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT BY THE AGENCY DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW, THE ESCROW HOLDER SHALL IMMEDIATELY CANCEL THE ESCROW AND PAY THE PRE-CLOSING LIQUIDATED DAMAGES AMOUNT TO THE AGENCY WITHIN FIVE (5) DAYS FOLLOWING ESCROW CANCELLATION. RECEIPT OF THE PRE-CLOSING LIQUIDATED DAMAGES AMOUNT SHALL BE THE AGENCY'S SOLE AND EXCLUSIVE REMEDY UPON THE CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW.



Initials of Authorized
Agency Representative



Initials of Authorized
Redeveloper Representative

7.4 REDEVELOPER'S LIMITATION ON RECOVERY OF DAMAGES PRIOR TO CLOSE OF ESCROW.

7.4.1 IN THE EVENT OF THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE AGENCY, PRIOR TO THE CLOSE OF ESCROW, THE REDEVELOPER SHALL EITHER MAKE A CLAIM FOR SPECIFIC PERFORMANCE OR BE LIMITED TO RECOVERING ANY AMOUNTS ACTUALLY EXPENDED BY THE REDEVELOPER IN REASONABLE RELIANCE ON THIS AGREEMENT, PRIOR TO THE DATE OF THE OCCURRENCE OF THE EVENT OF DEFAULT BY THE AGENCY, NOT TO EXCEED ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000). THE REDEVELOPER WAIVES ANY RIGHT TO RECOVER ANY OTHER SUMS FROM THE AGENCY ARISING FROM AN EVENT OF DEFAULT BY THE AGENCY, PRIOR TO THE CLOSE OF ESCROW. THE REDEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 7.4.1, WHICH CIVIL CODE SECTION READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

7.4.2 BY INITIALING BELOW, THE REDEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF CIVIL CODE SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 7.4.2.

Initials of Authorized
Redeveloper Representative

7.5 Rights and Remedies are Cumulative. Except for the pre-closing liquidated damages provisions above (which shall be the exclusive damage remedies for defaults prior to closing), the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Agency Acquisition of Plans. If this Agreement is terminated pursuant to a contractual right granted to a Party in this Agreement or pursuant to default of a Party, Agency shall have the option to purchase all Redeveloper's plans, studies, surveys, etc. prepared specifically for the Project, at a mutually acceptable price.

ARTICLE 8

GENERAL PROVISIONS

8.1 Notices, Demands and Communications Between the Parties.

8.1.1 Any and all notices, demands or communications submitted by any Party to another Party pursuant to or as required by this Agreement shall be proper if in writing and dispatched by messenger for immediate personal delivery, or by registered or certified United States mail, postage prepaid, return receipt requested, to the principal office of Agency and Redeveloper, as applicable, as designated in Section 8.1.2 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate as provided in this Section 8.1.1. Any such notice, demand or communication shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is dispatched by messenger for immediate personal delivery, or two (2) calendar days after it is placed in the United States mail as heretofore provided.

8.1.2 In addition to the submission of notices, demands or communications to the Parties as set forth above, copies of all notices shall also be delivered by facsimile as follows:

To Redeveloper:

Compton Senior Apartments, L.P.,
1640 S. Sepulveda Blvd., Suite 425
Los Angeles, CA, 90025
Attn: Tim Soule
Facsimile: (310) 575-3563
E-mail: tsoule@metahousing.com

with copy to:

Bocarsly, Emden, Cowan, Esmail & Arndt
LLP
633 West Fifth Street, 70th Floor
Los Angeles, CA 90071
Attn: Nicole Deddens, Esq.
Fax: 213-239-0410
E-mail: ndeddens@BocarslyEmden.com

to Agency:

The Redevelopment Agency of the
City of Compton
205 S. Willowbrook Avenue
California 90220
Attn: Redevelopment Director
Facsimile: (310) 605-5511
E-mail: kboakye@comptoncity.org

with copy to:

Richards, Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attention: Jim G. Grayson
Fax: (213) 626-0078
E-mail: jgrayson@rwglaw.com

8.2 Conflict of Interest. No member, official or employee of the City, Agency, or Authority having any conflict of interest, direct or indirect, related to this Agreement, the Site, or the development or operation of the Project shall participate in any decision relating to this Agreement. The Parties represent and warrant that they do not have knowledge of any such conflict of interest.

8.3 Warranty Against Payment of Consideration for Agreement. Redeveloper warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 8.3, shall not include persons to whom fees are paid for professional services if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by Redeveloper.

8.4 Nonliability of Agency Officials and Employees. No member, official or employee of Agency shall be personally liable to Redeveloper, or any successor in interest, in the event of any default or breach by Agency or for any amount which may become due to Redeveloper or to its successor, or on any obligations under the terms of this Agreement, except for gross negligence or willful acts of such member, officer or employee.

8.5 Enforced Delay: Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default, or considered to be a default, where delays or defaults are due to the force majeure events of war, acts of terrorism, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes or lack of transportation, weather-caused delays, inability to secure necessary labor, materials or tools, delays of any contractors, subcontractor or supplier, which are not attributable to the fault of the Party claiming an extension of time to prepare or acts or failure to act of any

public or governmental agency or entity (provided that acts or failure to act of the City or Agency shall not extend the time for Agency to act hereunder. An extension of time for any such force majeure cause shall be for the period of the enforced delay and shall commence to run from the date of occurrence of the delay; provided however, that the Party which claims the existence of the delay has first provided the other Party with written notice of the occurrence of the delay within ten (10) calendar days of the commencement of such occurrence of delay. The inability of Redeveloper to obtain a satisfactory commitment from a Construction Lender for the improvement of the Property or to satisfy any other condition of this Agreement relating to the redevelopment of the Property shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a delay under this Section 8.5. The Parties hereto expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of any of them which may have provided a basis for entering into this Agreement and which occur at any time after the execution of this Agreement, are not force majeure events and do not provide any Party with grounds for asserting the existence of a delay in the performance of any covenant or undertaking which may arise under this Agreement. Each Party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such Party under this Agreement, but that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such Party of its obligations under this Agreement.

8.6 Inspection of Books and Records. Agency shall have the right at all reasonable times at Agency's cost and expense to inspect the books and records of Redeveloper pertaining to the Property, and/or the development of the Project on the Property, as necessary for Agency, in its reasonable discretion, to enforce its rights under this Agreement. Matters discovered by Agency shall not be disclosed to third parties unless required by law or unless otherwise resulting from or related to the pursuit of any remedies or the assertion of any rights of Agency hereunder.

8.7 Real Estate Commissions. Agency shall not be liable for any real estate commissions, brokerage fees or finder fees which may arise from or related to this Agreement.

8.8 Redeveloper Indemnification of the Agency.

8.8.1 Indemnity. In addition to any other specific indemnification or defense obligations of the Redeveloper set forth in this Agreement and to the fullest extent permitted by law, the Redeveloper agrees to indemnify, defend (upon written request by the Agency and with counsel reasonably acceptable to the Agency) and hold harmless each and all of the Agency Parties from and against all losses, liabilities, claims, damages, penalties, fines, forfeitures, costs and expenses (including all responsible out-of-pocket litigation costs and reasonable attorney's fees) and demands of any nature (collectively, "**Claims**") that are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part by:

8.8.1.1 Any act, omission, fault or negligence, whether active or passive, of the Redeveloper or the Redeveloper's officers, agents, employees, independent contractors or subcontractors of any tier, relating in any manner to this Agreement or any work to be performed by any such person related to this Agreement, the Property, or the Project; or

8.8.1.2 Any authority or obligation exercised or undertaken by the Redeveloper under or pursuant to this Agreement;

8.8.1.3 Any breach or default in performance of any obligation of the Redeveloper under this Agreement; or

8.8.1.4 Any claims, lawsuits or injunction asserting the invalidity of this Agreement.

8.8.2 Strict Liability. The indemnification obligation of the Redeveloper shall apply regardless of whether liability without fault or strict liability is imposed or sought to be imposed on one or more of the Agency Parties. The indemnification obligations of the Redeveloper shall not apply to the extent that a final judgment of a court of competent jurisdiction establishes that a Claim against Agency Party was proximately caused by the negligence or willful misconduct of that Agency Party. In such event, however, the Redeveloper's indemnification obligations to all other Agency Parties shall be unaffected.

8.8.3 Independent of Insurance Obligations. The Redeveloper's indemnification obligations pursuant to this Section 8.8 shall not be construed or interpreted as in any way restricting, limiting, or modifying the Redeveloper's insurance or other obligations under this Agreement and is independent of the Redeveloper's insurance and other obligations under this Agreement. The Redeveloper's compliance with its insurance obligations and other obligations under this Agreement shall not in any way restrict, limit, or modify the Redeveloper's indemnification obligations under this Agreement.

8.8.4 Attorneys' Fees. The Agency Parties shall be entitled to recover their reasonable attorneys' fees and actual costs incurred in enforcing the Redeveloper's indemnification obligations pursuant to this Section 8.8.

8.8.5 Survival of Indemnification and Defense Obligations. The Redeveloper's indemnification and defense obligations pursuant to this 8.8 shall survive the expiration or earlier termination of this Agreement, until all Claims against any of the Agency Parties involving any of the indemnified matters are fully, finally, and absolutely and completely barred by the applicable statutes of limitations.

8.8.6 Independent Duty to Defend. The Redeveloper's duty to defend the Agency Parties is separate and independent of the Redeveloper's duty to indemnify the Agency Parties. The duty to defend includes Claims for which the Agency Parties may be liable without fault or strictly liable. The duty to defend applies regardless of whether the issues of negligence, liability, fault, default, or other obligation on the part of the Redeveloper or the Agency Parties have been determined. The duty to defend applies immediately, regardless of whether the Agency Parties have paid any sums or incurred any detriment arising out of or relating (directly or indirectly) to any Claims. It is the express intention of the Redeveloper and the Agency that the Agency Parties be entitled to obtain summary adjudication or summary judgment regarding the Redeveloper's duty to defend the Agency Parties at any stage of any Claim or suit within the scope of this Section 8.8.

8.9 Release of Redeveloper from Liability; Limitations on Recourse.

Notwithstanding any provision herein to the contrary, Redeveloper shall be relieved of any and all liability for the obligations of Redeveloper hereunder with regard to the development of the Property when a Certificate of Completion has been issued by Agency hereunder with respect thereto, other than any covenants and obligations in the Regulatory Agreement or the Agency Grant Deed. The provisions of this Section 8.9 shall extend to any permitted successor of Redeveloper. Nothing contained in this Section 8.9 shall be deemed to impair any security interest held by the Agency in the Project or the Property or to preclude the Agency from foreclosing thereon or from realizing upon any security encumbered in favor of Agency in the event of a default by Redeveloper.

8.10 Attorneys' Fees. If either Party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, or is made a party to any action or proceeding brought by the Escrow Holder or a third party, then as between Redeveloper and Agency, the prevailing Party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees and costs of experts as fixed by the Court, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees. For the purposes hereof the words "reasonable attorneys' fees" mean and include, in the case of Agency, salaries and expenses of the lawyers employed by Agency (allocated on an hourly basis) who may provide legal services to Agency in connection with the representation of Agency in any such matter.

8.11 Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

8.12 Further Assurances. The Parties agree to consider in good faith such additional actions or the execution of such other documents as may be reasonably necessary to the financing, development, and operation of the Project, although nothing in this Section 8.12 shall be deemed a representation, guarantee or commitment by either Party to take any action or execute any document.

8.13 Amendment of Redevelopment Plan. Pursuant to provisions of the Redevelopment Plan for modification or amendment thereof, the Agency agrees that no amendment which changes the uses or development permitted on the Site or changes the restrictions or controls that apply to the Site or otherwise affects the Site shall be made or become effective without the prior written consent of the Redeveloper. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of the Redeveloper.

ARTICLE 9

ENTIRE AGREEMENT, WAIVERS AND AMENDMENT

9.1 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements

between the Parties with respect to all or any portion of the Property and the development thereof.

9.2 No Merger With Grant Deeds. None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the Grant Deeds, and this Agreement shall continue in full force and effect before and after such conveyance.

9.3 Waivers and Amendments. All waivers of the provisions of this Agreement and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Redeveloper.

The Executive Director of Agency is authorized to sign on his or her own authority amendments to this Agreement which are of routine or technical nature, including minor adjustments not exceeding in the aggregate sixty (60) calendar days to the Schedule of Performance.

ARTICLE 10

EXECUTION

10.1 Execution of Agreement. This Agreement may be executed in duplicate originals each of which is deemed to be an original. This Agreement includes 54 pages (excluding signature pages) and Exhibits "A" – "L", which constitute the entire understanding and Agreement of the Parties.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the dates set forth below.


[Signatures on following pages]

SIGNATURE PAGE
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

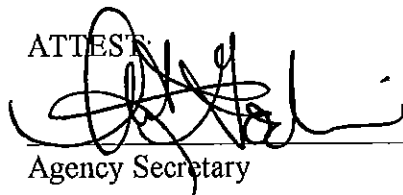
AGENCY:

THE REDEVELOPMENT AGENCY OF THE
CITY OF COMPTON,
a public body, corporate and politic


Dated: 6-4-09

By: 
Charles Evans
Executive Director

ATTEST:

 6-8-09
Agency Secretary

APPROVED AS TO LEGAL FORM:



Agency Counsel



REDEVELOPER:

COMPTON SENIOR APARTMENTS, L.P., a
California limited partnership

By: Western Community Housing, Inc.,
a California non-profit corporation
Its: Managing General Partner

By: 
Name: Graham Espley-Jones
Its: President

By: Compton Senior Apartments, LLC,
a California limited liability company
Its: General Partner

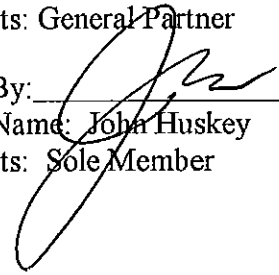
By: 
Name: John Huskey
Its: Sole Member

EXHIBIT A
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Legal Description of Property~~

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

EXCEPTING ALL OIL HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED IN THE DEED RECORDED ON APRIL 29, 1988 AS INSTRUMENT NO. 88-591501 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

LOTS 1 THROUGH 6 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 3:

LOTS 7 THROUGH 13 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

EXHIBIT B
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Site Map of Property~~

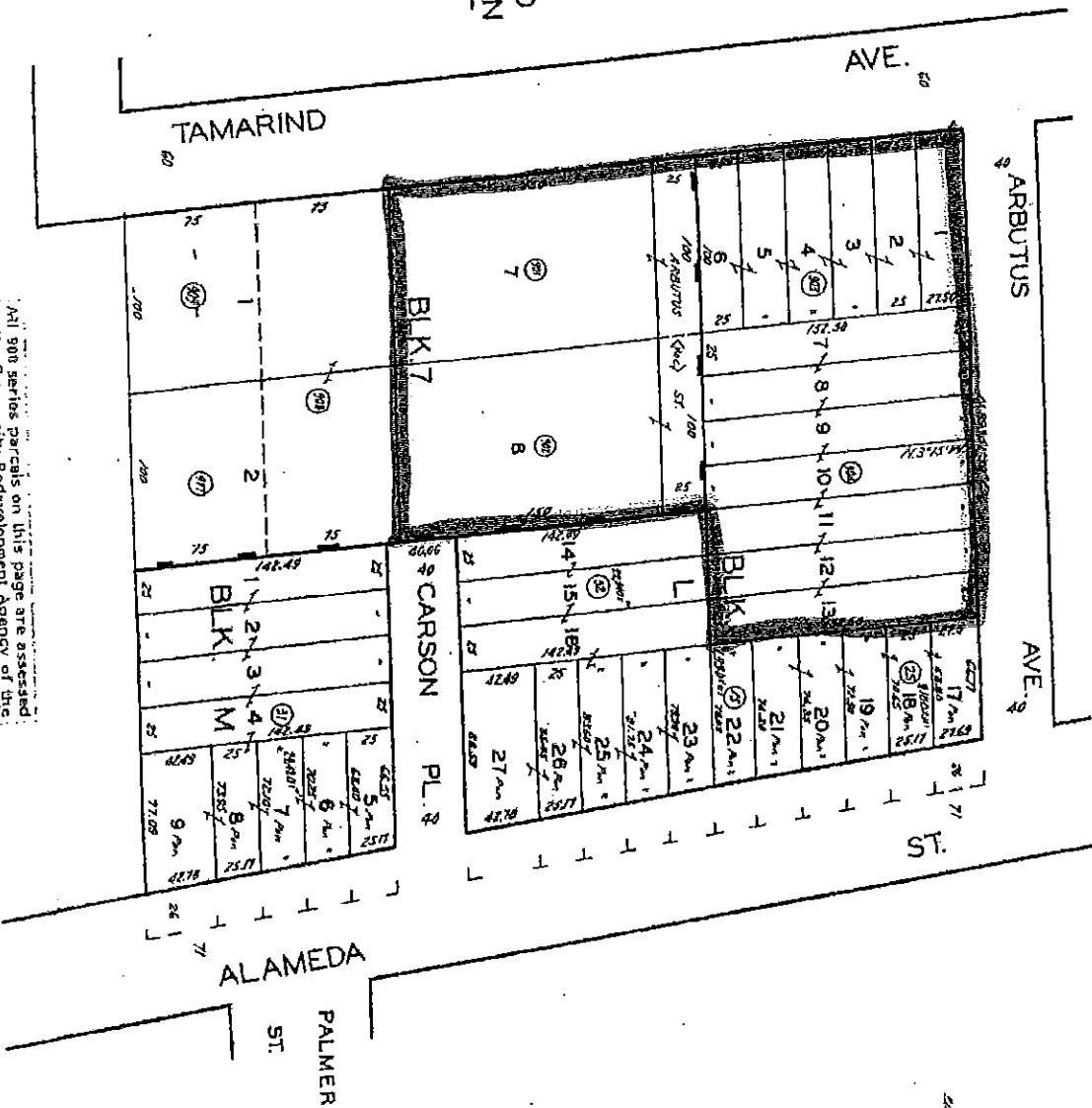
[Attached Behind This Page]

TRACT NO. 3765
M. B. 41-88-89.

WRIGHT'S ADDITION TO
THE TOWN OF COMPTON
M.R. 7-55

CODE
11252

FOR PREV. ASMT. SEE: 439-14, 15 & 30



All 900 series parcels on this page are assessed to the Community Redevelopment Agency of the City of Compton, unless otherwise noted.

REVISED
67 1113 DOJ
670411506
8807544 005043
05065530 00160006
540 2502 00001-N
881106074 00001-10
3006 1118 0210000-10
3006 1118 0210000-10
3006 1118 0210000-10
3006 1118 0210000-10

ASSASSIN'S MAP
COUNTY OF LOS ANGELES, CALIF.

FEB 03 2004

EXHIBIT C
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Scope of Development

Description of Improvements. Compton Senior Apartments consists of the new construction of 75 one and two-bedroom rental apartments for very low- and low-income seniors on a 1.7 acre lot in Compton. Compton Senior Apartments will be designed to complement the neighborhood while providing a high-quality and safe environment for the senior residents. Fifteen (15) of the units will be two-bedroom units of approximately 760 sq. ft. and the remaining sixty (60) will be one-bedroom units of approximately 570 sq. ft. The building will be U-shaped to match the contours of the site, with a large courtyard with a water feature, a large community room, a computer and multi-media room, outdoor barbecues and tables, communal kitchen, library, laundry room, mail room, landscaping, and manager's unit. The development is described in greater detail on the attached conceptual architectural plans.

Project Scale and Massing. Compton Senior Apartments will be Type V construction, with on-grade parking next to three levels of units. The front of the property will be gated with a single pedestrian entrance from North Tamarind Avenue that utilizes an intercom system. There will be vehicular entrances into the property from E. Arbutus Street and E. Carson Place, and the property will be completely fenced. These entrances will be locked at all times, with access restricted to tenants with keys. The manager's unit will face the entrance, allowing the manager to conveniently observe the building's entrance/exit. The lobby and community room will be on the ground floor, closest to N. Tamarind Avenue.

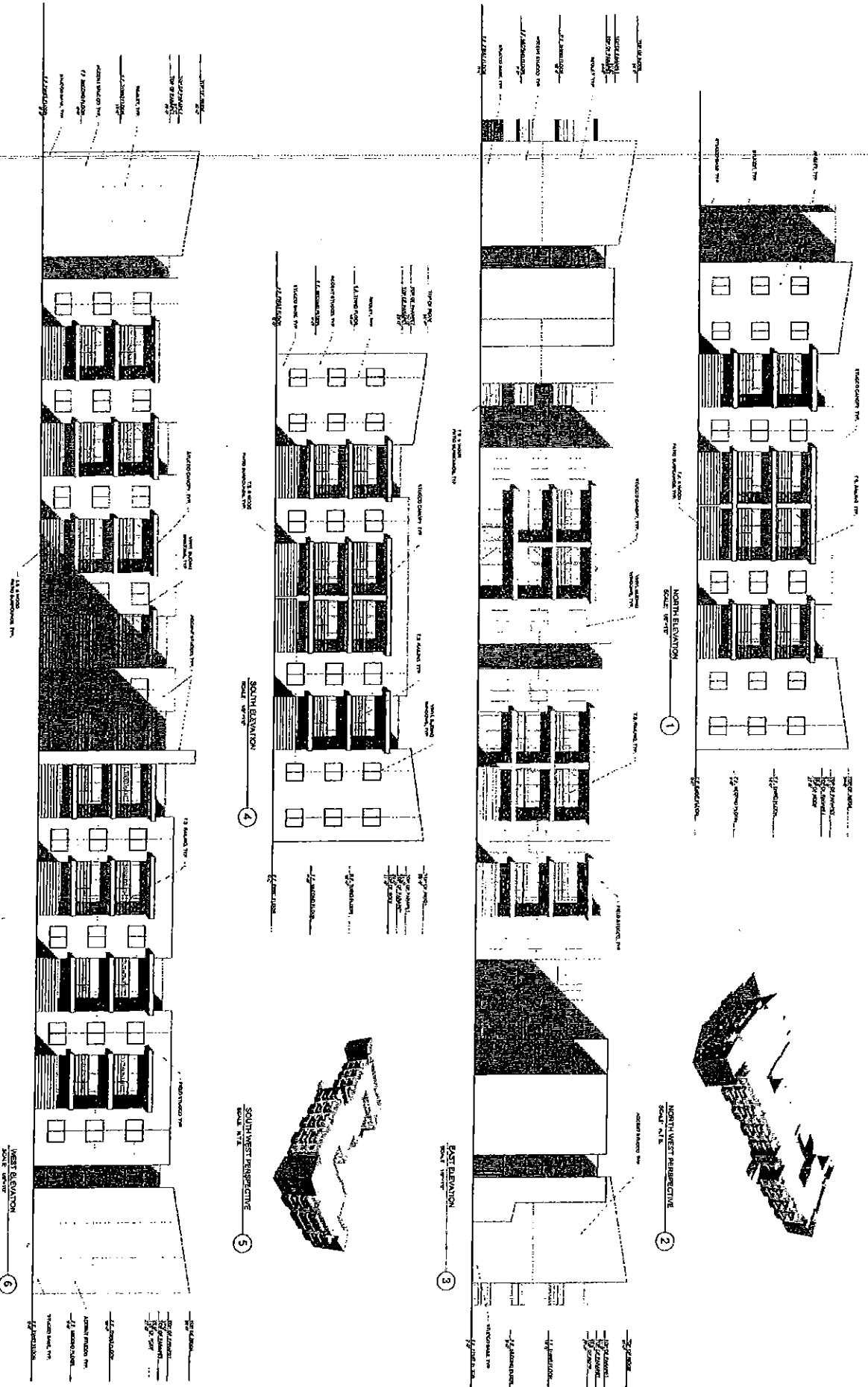
Landscaping. The perimeter and courtyard areas of Compton Senior Apartments will be fully landscaped to fit with both the building and the neighborhood.

Parking. Compton Senior Apartments will have a single level of on-grade parking with 75 parking spaces.

COMPTON SENIOR HOUSING

DEVELOPED BY: META HOUSING CORPORATION
300 WEST 10TH STREET, SUITE 100, NEW YORK, NY 10014
TEL: 212 691 1234 FAX: 212 691 1235
WWW.METAHOUSING.COM

THIS DOCUMENT IS THE PROPERTY OF JOHN COTTON ARCHITECTS. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF JOHN COTTON ARCHITECTS.





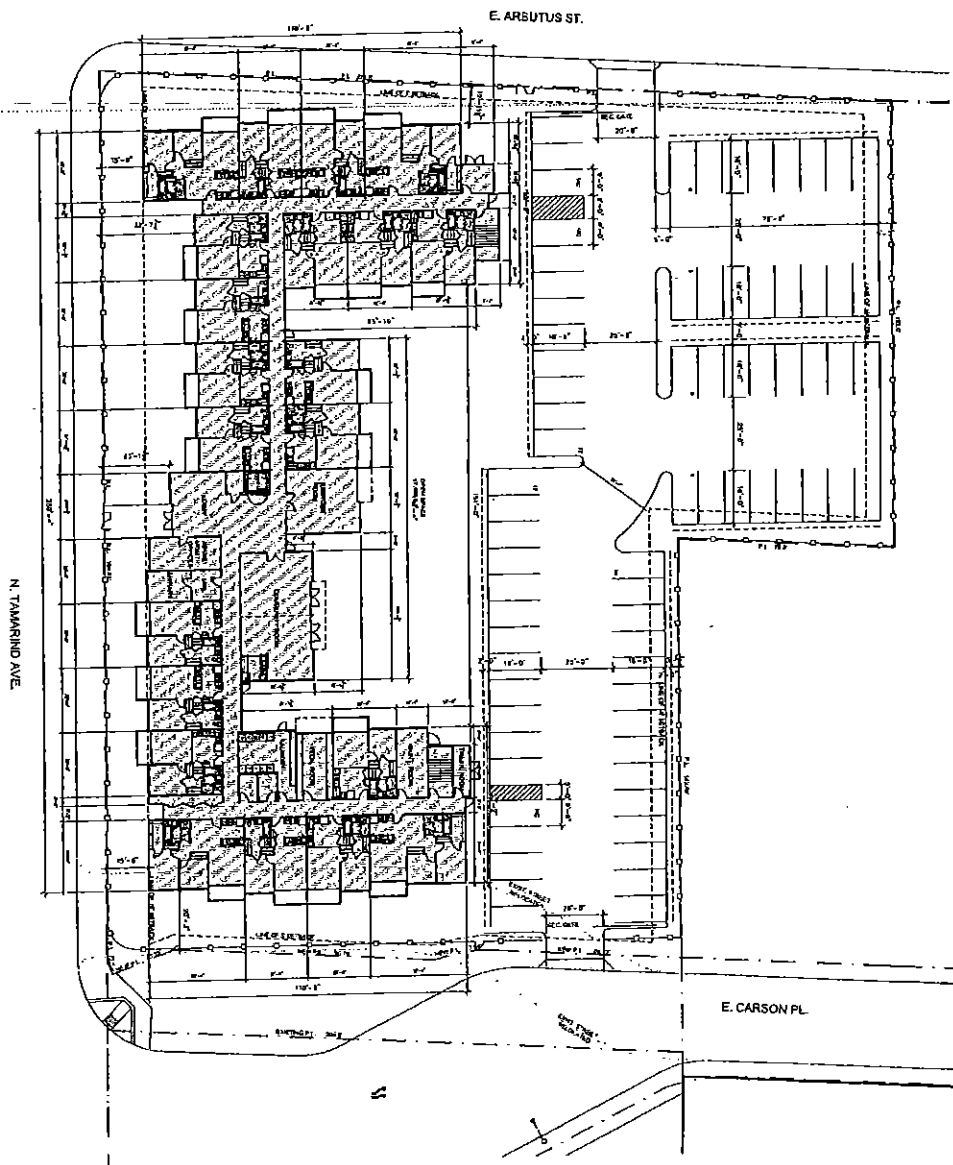
JOHN COTTON ARCHITECTS
300 WEST STREET, SUITE 200, SAN ANTONIO, TEXAS 78205-1201
WWW.JOHN-COTTON.COM

COMPTON SENIOR HOUSING

DEVELOPED BY: META HOUSING CORPORATION
1000 BROADWAY, SUITE 200, NEW YORK, NY 10003-1000
WWW.METAHOUSING.COM

THIS PLAN IS A PRELIMINARY DESIGN AND IS NOT TO BE USED FOR CONSTRUCTION. IT IS THE PROPERTY OF JOHN COTTON ARCHITECTS AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF JOHN COTTON ARCHITECTS.

SITE PLAN, GROUND FLOOR PLAN



PROJECT DATA SUMMARY

APN:	6186-10-001-004
ZONE:	HIGH DENSITY RESIDENTIAL (R-1)
PROJECT ADDRESS:	302 N. TAMARIND AVE.
GROSS LOT SIZE/AREA:	84,545 S.F.
RESIDENTIAL UNITS:	15 TOTAL 2 B.R. UNITS (798 S.F. EA.) 60 TOTAL 1 B.R. UNITS (572 S.F. EA.)

PROJECT SUMMARY TABLE	
GROSS LANDSITE AREA:	84,545 S.F.
NET LANDSITE AREA:	78,125 S.F.
LOT COVERAGE:	19,642 S.F. (25%)
TOTAL BLDG. AREA:	58,227 S.F.
FLOOR AREA RATIO (FAR):	0.75
TOTAL PARKING AREA:	23,917 S.F. (31%)
PARKING PROVIDED:	75 PARKING SPACES
OPEN SPACE:	7,400 S.F.

COMMON AREAS

RECEPTION/RECEPTION ROOM:	1,131 S.F.
LOBBY:	281 S.F.
MANAGEMENT OFFICE:	845 S.F.
ADMINISTRATION OFFICE:	143 S.F.
LIBRARY:	184 S.F.
EXERCISE ROOM:	564 S.F.
MAIL ROOM:	110 S.F.
LAUNDRY:	385 S.F.
RESTROOMS:	122 S.F.
TOTAL:	3,078 S.F.

TOTAL UNITS:

75 SENIOR CITIZEN APARTMENTS	
80 ONE-BEDROOM	
15 TWO-BEDROOM	
AREA OF UNITS:	
UNIT 'A' ONE-BEDROOM:	572 S.F.
UNIT 'B' ONE-BEDROOM:	572 S.F.
UNIT 'C' TWO-BEDROOM:	798 S.F.



JOHN COTTON ARCHITECTS

215 EAST 81ST AVENUE, CITY LAUREL, MD 21044-3333 PHONE: 410.326.1100 FAX: 410.326.1101 WWW.JOHN-COTTON.COM

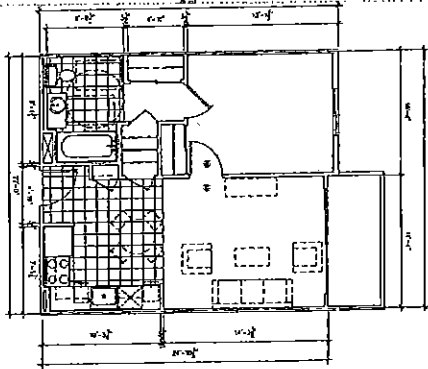
COMPTON SENIOR HOUSING

DEVELOPED BY: META HOUSING CORPORATION

1400 REVOLUTION BLVD., SUITE 200, LAUREL, MD 21044-3333 PHONE: 410.326.1100 FAX: 410.326.1101 WWW.METAHOUSING.COM

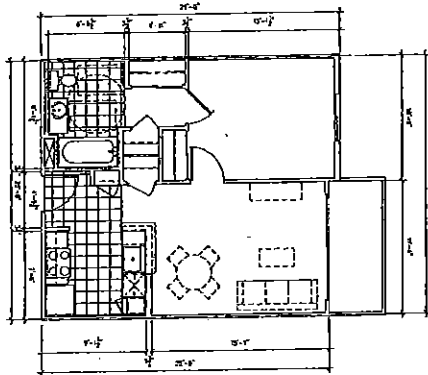
1 BEDROOM FLOOR PLAN - A1

Overall Dimensions: 30'-0" x 30'-0"



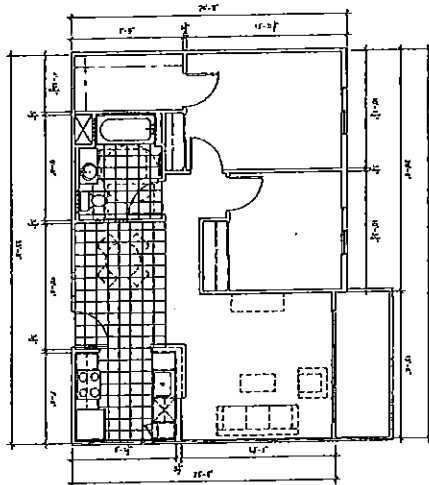
1 BEDROOM FLOOR PLAN - A2

Overall Dimensions: 30'-0" x 30'-0"



2 BEDROOM FLOOR PLAN - B1

Overall Dimensions: 30'-0" x 30'-0"



NOTE: ALL UNITS ARE REQUIRED AND
DESIGNED TO BE A.D.A. ADAPTABLE.

1. ALL UNITS ARE REQUIRED AND DESIGNED TO BE A.D.A. ADAPTABLE.
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10. ALL UNITS ARE REQUIRED AND DESIGNED TO BE A.D.A. ADAPTABLE.

EXHIBIT D
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Schedule of Performance

[Attached Behind This Page]

Items marked "complete" are considered complete as of the effective date of the Disposition and Development Agreement.

<u>Item To Be Performed</u>	<u>Time for Performance</u>
1. Redeveloper executes and delivers DDA to Agency	Within 7 days after approval of the DDA.
2. Agency executes DDA	Within 20 days after execution by Redeveloper of DDA and delivery to Agency
3. Agency delivers to Redeveloper Preliminary Title Report	As soon as practicable following Opening of Escrow.
4. Redeveloper approves or disapproves title exceptions	Within 30 days after delivery of Title Report and title exception documents to Redeveloper
5. Agency delivers notice to Redeveloper as to whether it will cure disapproved exceptions	Within 20 days after receipt of Redeveloper's notice or deadline for delivery of such notice.
6. Redeveloper submits preliminary construction drawings and landscaping plans.	Within 90 days after Agency approval of Basic Concept Drawings and City planning approval.
7. Agency approves preliminary construction drawings and landscaping plans.	Within 30 days of receipt from Redeveloper .
8. Redeveloper submits Final Building Plans.	Within 180 days after Agency approval of preliminary plans and corresponding approval of City.
9. Agency approves or disapproves of Final Building Plans.	Within 60 days after submittal by Redeveloper .
10. Escrow Agent gives notice of fees, charges, and costs to close escrow	On preliminary settlement statement prior to Closing
11. Deposits into escrow by Agency :	
a) Executed Agency Grant Deed	On or before 1:00 p.m. on the last business day preceding the Closing Date
b) Payment of Agency's Share of	On or before 1:00 p.m. on the last

Item To Be Performed**Time for Performance**

- | | |
|----------------------------------|--|
| Escrow Costs | business day preceding the Closing Date |
| c) FIRPTA Certificate | Within 15 days after opening of escrow. |
12. Deposits into escrow by **Redeveloper**:
- | | |
|--|--|
| a) Residual Receipts Promissory Note and Deed of Trust | On or before 1:00 p.m. on the last business day preceding the Closing Date |
| b) Payment of Redeveloper's Share of Escrow Costs | On or before 1:00 p.m. on the last business day preceding the Closing Date |
| c) Certificates evidencing insurance | Prior to closing, site preparation or construction |
| d) Taxpayer ID Certificate | Prior to Closing Date |
13. All Project Entitlements
14. **Close of Escrow (the Closing)**
- On or prior to February 28, 2010, or the extended Outside Closing Date, if applicable.
15. **Redeveloper** completes construction of improvements to the extent required to receive Certificate of Completion.
- Within 24 months after the Close of Escrow.
16. **Agency** issues Certificate of Completion
- Within 30 days of written request by **Redeveloper**, and **Redeveloper's** satisfactory completion of all improvements.

It is understood that the foregoing Schedule of Performance is subject to all of the terms and conditions set forth in the text of the DDA. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the DDA, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both **Redeveloper** and **Agency**. A failure by either party to enforce a breach of any particular time provision shall not be construed as a waiver of any other time provision.

EXHIBIT E
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Agency Grant Deed

RECORDING REQUESTED BY:

First American Title Insurance Company

AND WHEN RECORDED RETURN TO:

The Redevelopment Agency of the City of Compton
205 S. Willowbrook Avenue
Compton, California 90220
Attn: Redevelopment Director

APN: 6166-010-901, 6166-010-902, 6166-010-903, 6166-010-904

Grantor declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a public body, corporate and politic ("**Grantor**"), hereby grants to **COMPTON SENIOR APARTMENTS, L.P.**, a California limited partnership ("**Grantee**"), that certain real property described in Exhibit A attached hereto (the "**Site**") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Disposition and Development Agreement entered into by and between Grantor and Grantee dated as of June 1, 2009 (the "**Agreement**"), and the Redevelopment Plan (as defined in the Agreement), the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor, 205 S. Willowbrook Avenue, Compton California 90220. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. By acceptance hereof, Grantee covenants, for itself and its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections

12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

2. All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

2.1 In deeds: "The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

2.2 In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California

Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

2.3 In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

3. All covenants contained in this Grant Deed shall run with the land for the benefit of, and shall only be enforceable by, Grantor or the City of Compton (as a third party beneficiary) and their respective successors and assigns, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. In the event of a breach of any covenant contained in this Grant Deed, Grantor shall have the right to exercise any right or remedy provided in the Agreement or otherwise available at law or in equity, to enforce the curing of such breach.

4. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signatures appear on next page.]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Grant Deed as of the date set forth below.

Dated: June ____, 2009

GRANTOR:

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON,**
a public body, corporate and politic

By: _____

Name: _____

Title: _____

ATTEST:

Secretary

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

On _____, before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

Exhibit A

LEGAL DESCRIPTION

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

EXCEPTING ALL OIL HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED IN THE DEED RECORDED ON APRIL 29, 1988 AS INSTRUMENT NO. 88-591501 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

LOTS 1 THROUGH 6 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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EXHIBIT F
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Certificate of Completion~~

[Attached Behind This Page]

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

The Redevelopment Agency of
the City of Compton
205 S. Willowbrook Avenue
Compton, California 90220
Attn: Redevelopment Director

APN'S: 6166-010-901, 902, 903 and 904

(Space above for Recorder's Use)
Exempt From Recording Fee Per Government Code Section 27383

REDEVELOPMENT AGENCY OF THE CITY OF COMPTON

CERTIFICATE OF COMPLETION

This Certificate of Completion constitutes conclusive evidence of the Agency's determination of the Redeveloper's satisfaction of its construction obligations under the Agreement with respect to the Project. Notwithstanding any provision of this Certificate of Completion, the Agency may enforce any covenant surviving this Certificate of Completion in accordance with the terms and conditions of the Agreement, including but not limited to Section 5.9, and the Deed(s) by which the Property was conveyed to the Redeveloper by the Agency under the Agreement. The Agreement is an official record of the Agency and a copy of the Agreement may be inspected in the office of the Secretary of the Agency located at 205 S. Willowbrook Avenue, Compton, California, during the regular business hours of the Agency.

DATED AND ISSUED this ____ day of _____, ____.

Chairperson

Secretary

EXHIBIT F-1
TO
CERTIFICATE OF COMPLETION

Property Legal Description

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

EXCEPTING ALL OIL HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED IN THE DEED RECORDED ON APRIL 29, 1988 AS INSTRUMENT NO. 88-591501 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

LOTS 1 THROUGH 6 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 3:

LOTS 7 THROUGH 13 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

EXHIBIT G
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Regulatory Agreement

[Attached Behind This Page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The Redevelopment Agency of the
City of Compton
205 S. Willowbrook Avenue,
Compton, California 90220
Attention: Redevelopment Director

APN'S: 6166-010-901, 902, 903 and 904

(Space above for Recorder's Use)

Exempt From Recording Fee Per Government Code Section 27383

**COMPTON SENIOR APARTMENTS
REGULATORY AGREEMENT**

by and between

**THE REDEVELOPMENT AGENCY OF THE CITY OF COMPTON,
a public body, corporate and politic**

and

**COMPTON SENIOR APARTMENTS, L.P.,
a California limited partnership**

[Reference dated as of _____, 2009]

This COMPTON SENIOR APARTMENTS REGULATORY AGREEMENT ("Regulatory Agreement") is made and entered into as of _____, 2009, by and between THE REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, a public body corporate and politic ("Agency") and COMPTON SENIOR APARTMENTS, L.P., a California limited partnership ("Redeveloper").

RECITALS

A. Agency and Redeveloper have entered into that certain Disposition And Development Agreement, dated as of June 1, 2009 ("Agreement"), which provides for, among other things, the conveyance of certain real property ("Property") from Agency to Redeveloper and the development of an affordable housing project on the Property ("Project"), subject to certain conditions, including the terms and conditions of this Regulatory Agreement. The Property is legally described on the attached Attachment No. 1. The Project also includes all related landscaping, driveways, utilities, and any improvements which may be required by the City of Compton ("City") on the Property. All initially capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such term by the Agreement.

B. The terms of the Agreement require that certain covenants and affordability restrictions remain in full force and effect on the Property for a term of fifty-five (55) years following the recordation of a Certificate of Completion for the Project.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND UNDERTAKINGS SET FORTH HEREIN, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, REDEVELOPER AND AGENCY DO HEREBY COVENANT AND AGREE FOR THEMSELVES, THEIR SUCCESSORS AND ASSIGNS AS FOLLOWS:

1. Definitions of Certain Terms. As used in this Regulatory Agreement, the following words and terms shall have the meaning as provided in the Recitals or in this Section 1, unless the specific context of usage of a particular word or term may otherwise require:

1.1 Affordable Rent. The term "**Affordable Rent**" shall have the same meaning as set forth in California Health and Safety Code Section 50053, as that Section may hereafter be amended from time-to-time, and shall provide a reasonable allowance for utilities. If the Project qualifies for federal tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, then the applicable federal affordable rent rates shall apply in lieu of the requirements of the preceding sentence, but only if the applicable federal affordable rent rates do not exceed those imposed by the requirements of the preceding sentence.

1.2 AMI. The term "**AMI**" shall mean the area median income for Los Angeles County, California, adjusted for family size, established by the State of California Department of Housing and Community Development pursuant to California Health and Safety Code Section 50093, as amended from time to time, in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

1.3 Certificate of Completion. The term "**Certificate of Completion**" shall mean the written certification of Agency that the Project is complete and in compliance with the terms and conditions of the Agreement, substantially in the form of Exhibit "F" attached to the Agreement.

1.4 Reserved.

1.5 Project. The term "**Project**" shall mean the design, development and operation of a project consisting of one (1) un-restricted residential unit for an on-site manager and seventy-four (74) senior affordable housing rental units and all related on- and off-site improvements, subject to the following restrictions:

1.5.1 At least fourteen (14) One Bedroom Restricted Units shall be occupied or available for occupancy by Senior 50% Households;

1.5.2 At least forty-six (46) One Bedroom Restricted Units shall be occupied or available for occupancy by Senior 60% Households;

1.5.3 At least two (2) Two Bedroom Restricted Units shall be occupied or available for occupancy by Senior 50% Households;

1.5.4 At least twelve (12) Two Bedroom Restricted Units shall be occupied or available for occupancy by Senior 70% Households.

The Project shall also include all required or associated demolition, on-site and off-site improvements, hardscape improvements, parking areas and carports, and landscaping improvements to the Property, which are specifically described in the Scope of Development, and which shall be developed in accordance with plans and specifications approved by the City and any conditions imposed by the City in its consideration of Redeveloper's development applications related to the Project.

1.6 Qualified Households. The term "Qualified Households" shall mean, as applicable, either a "Senior 50% Household", a "Senior 60% Household" or a "Senior 70% Household," as defined below:

1.6.1 "**Senior 50% Household**" means an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than fifty percent (50%) of the then-current AMI; and

1.6.2 "**Senior 60% Household**" an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than sixty percent (60%) of the then-current AMI.

1.6.3 "**Senior 70% Household**" an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than seventy percent (70%) of the then-current AMI.

1.7 Term. The word "Term" shall mean the period of time following issuance of the Certificate of Completion and ending on the fifty-fifth (55th) anniversary thereafter.

1.8 Restricted Unit. The term "Restricted Unit" shall mean one (1) of the seventy-four (74) units within the Project which are burdened by this Regulatory Agreement and which may be leased to a Qualified Household at an Affordable Rent.

1.9 Restricted Units. The term "Restricted Units" shall mean the seventy-four (74) units restricted to Qualified Households pursuant to this Regulatory Agreement.

2. Acknowledgment of Redeveloper. Redeveloper hereby acknowledges that this Regulatory Agreement imposes certain restrictions on the use and occupancy of the Project and the Property during the Term of this Regulatory Agreement. Redeveloper acknowledges and understands that the restrictions shall be applicable to the Project and the Property for the Term hereof, commencing on the date of recordation of the Certificate of Completion for the Project.

Initials of Redeveloper

3. Covenants and Obligations of Redeveloper.

3.1 Development. Redeveloper hereby reaffirms its covenant and agreement, as set forth in the Agreement, to undertake, and thereafter, diligently complete the development of the Project on the Property in accordance with the Scope of Development attached as Exhibit "C" to the Agreement, within the period of time set forth under the Schedule of Performance attached as Exhibit "D" to the Agreement.

3.2 Redeveloper covenants that the Restricted Units shall at all times be occupied or held vacant and available for rental at an Affordable Rent for the Qualified Household income level designated by Section 1.1 to occupy such Restricted Unit.

3.3 Rent Covenant. Redeveloper covenants that no Qualified Household shall pay an amount in excess of Affordable Rent applicable to such Qualified Household. Redeveloper may increase rents based on changes in AMI only, as published by the California Department of Housing and Community Development, and no more than once in any twelve (12) month period. Under no circumstances shall Redeveloper increase rent more than five percent (5%) in any twelve (12) month period, provided, however, if an annual change in AMI would result in an increase of more than 5% in any year, Redeveloper shall be permitted to increase rent in any subsequent year up to 5% to address such AMI increase regardless if the AMI increase occurs in the year the rent increase takes effect.

3.4 Tenant Qualification.

3.4.1 Each of the sixty (60) one-bedroom Restricted Units shall be leased to a Qualified Household of one or two persons.

3.4.2 Each of the fifteen (15) two-bedroom Restricted Units shall be leased to a Qualified Household of not more than three persons.

3.5 Proof of Qualification. Certification of qualifying household income shall be made by Redeveloper at the time of initial occupancy of a Restricted Unit and upon each renewal of a Qualifying Household's lease. All such verification information described in this Section 3.5 shall only be obtained by Redeveloper after obtaining the Qualifying Household's written consent for the release of such information to Redeveloper. Redeveloper shall obtain, prior to initial occupancy and upon each lease renewal and, thereafter, maintain on file, income certifications from each Qualifying Household leasing any of the Restricted Units in the Project in the form attached as Attachment No. 2. Redeveloper shall make a good faith effort to verify that the income information provided by an applicant (or occupying Qualifying Household) in an income certification is accurate by taking one or more of the following steps as a part of the verification process:

3.5.1 Obtain an income tax return for the most recent tax year;

3.5.2 Conduct a credit reporting agency or similar search;

3.5.3 Obtain an income verification form from the applicant's current employer;

3.5.4 Obtain an income verification form from the United States Social Security Administration and/or the State of California Department of Social Services, if the applicant receives assistance from either of such agencies; or

3.5.5 if the applicant is unemployed and has no such tax return, obtain another form of independent verification.

3.6 Recertification of Income. To the extent required by TCAC, on the anniversary of the occupancy of each Restricted Unit, Redeveloper shall recertify the household income of the Qualifying Household occupying the Restricted Unit. Copies of tenant income certifications shall be available to Agency upon request. Redeveloper shall ensure appropriate language is included in the lease requiring tenant to provide income information annually and acknowledge that should its income increase the household will be subject to higher rent.

3.7 Inspection. Redeveloper and all Qualifying Households shall permit Agency to conduct inspections of the Property and the Project from time-to-time for purposes of verifying compliance with this Regulatory Agreement, upon ten (10) calendar days prior written notice to Redeveloper.

3.8 Records and Audits. Records shall be established and maintained by Redeveloper relating to the use and occupancy of the Property and the Project for affordable rental housing use purposes, as authorized herein. Redeveloper shall be responsible for establishing and maintaining such records during the Term of this Regulatory Agreement, and Redeveloper shall provide Agency with copies of such records within thirty (30) calendar days of written request by Agency.

3.8.1 Commencing on the June 30 following the first (1st) anniversary of the date of recordation of this Regulatory Agreement, and on each June 30 thereafter during the Term, Redeveloper shall submit a report to Agency, in the form attached as Attachment No. 3 ("**Annual Report**"). The Annual Report shall include for each Restricted Unit in the Project, the

5.2.6 Contractor's Insurance. During the construction or the installation of the Project, the Redeveloper shall require that each contractor performing work on the Project maintain the following insurance coverage, at all times during the performance of such work:

~~5.2.6.1~~ The Redeveloper shall maintain Builder's Risk Insurance to be written on an All Risk Completed Value form, in an aggregate amount equal to One Hundred Percent (100%) of the full insurable value of the Project.

5.2.6.2 Each general contractor and each sub-contractor shall maintain Commercial General Liability Insurance coverage with limits of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate to protect the Redeveloper during the construction and installation of the Project from claims involving bodily injury and/or death and damage to the property of others.

5.2.6.3 Each general contractor and each sub-contractor shall maintain Automobile Liability Insurance coverage against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used in the performance of the contractor's obligations with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS (\$1,000,000) each occurrence. Such automobile liability insurance shall be provided by a business or commercial vehicle policy.

5.2.6.4 Each general contractor and each sub-contractor performing work of construction or installation of the Project shall provide workers' compensation coverage for all of such general contractor's or such sub-contractor's employees, unless the general contractor's or sub-contractor's employees are covered by workers' compensation insurance provided by the Redeveloper. If any class of employees engaged in work or services performed in connection with the Project, is not covered by Labor Code Section 3700, the Redeveloper shall provide and/or require each general contractor or sub-contractor to provide adequate workers' compensation insurance covering such employees.

5.2.7 The Commercial General Liability Insurance coverage required herein shall include an endorsement naming the Agency Parties, as additional insured for liability arising out of or relates to this Agreement or the construction or installation of the Project.

5.2.8 If any of the insurance coverage required under this Agreement is written on a claims-made basis, such insurance policy shall provide an extended reporting period continuing through the fifth (5th) anniversary of the Occupancy Date. The requirements of this Section 5.2.8 shall survive any expiration or termination of this Agreement and the recordation of the Agency Deed and a Certificate of Completion for the Project.

5.2.9 Subject to Section 5.2.8, all of the insurance coverage required under this Section 5.2 shall be maintained by the Redeveloper or its contractors, as required by the terms of this Agreement, and shall not be reduced, modified, or canceled without, at least, thirty (30) calendar days prior written notice to the Agency. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates of insurance or any coverage for the Agency Parties. The Redeveloper shall immediately obtain replacement coverage for any

insurance policy that is terminated, canceled, non-renewed, or whose policy limits are exhausted or upon insolvency of the insurer that issued the policy.

5.2.10 All insurance obtained and maintained by the Redeveloper in satisfaction of the requirements of this Agreement shall be fully paid for and non-assessable.

5.2.11 Failure by the Redeveloper to maintain all insurance coverage required by this Section 5.2 in effect, as required in this Section 5.2, shall be an Event of Default by the Redeveloper. The Agency, at its sole option, may exercise any remedy available to it in connection with such an Event of Default. Alternatively, the Agency may, at its sole option, purchase any such required insurance coverage and the Agency shall be entitled to immediate payment from the Redeveloper of any premiums and associated costs paid by the Agency for such insurance coverage. Any election by the Agency to purchase or not to purchase insurance otherwise required by the terms of this Agreement to be carried by the Redeveloper shall not relieve the Redeveloper of its obligation to obtain and maintain any insurance coverage required by this Agreement.

5.3 Forms of Insurance Policies; Additional Insured Endorsements; Carrier Requirements; Evidence Of Insurance.

5.3.1 All insurance to be obtained and maintained by the Redeveloper under this Section 5.2 shall be issued by a company or companies listed in the then current "Best's Key Rating Guide" publication with a minimum of an "A;VIII" rating and be admitted to conduct business in the State of California by the State of California Department of Insurance.

5.3.2 Primary Insured. The Redeveloper shall be the first or primary named insured on each policy of insurance obtained or maintained by the Redeveloper in satisfaction of the insurance requirements of this Agreement.

5.3.3 Additional Insured Endorsements. The Agency Parties shall be named by endorsement as additional insured under the Redeveloper's commercial general liability insurance policy on an ISO Form CG 20 11 11 85 or equivalent form acceptable to the Agency, with such modifications as the Agency may require. The Agency Parties shall also be named as additional insured under the Redeveloper's automobile liability insurance policies on an endorsement form acceptable to the Agency.

5.3.4 Cross-Liability; Severability of Interests. The Redeveloper's commercial general liability and automobile liability policies shall be endorsed to provide cross-liability coverage for the Redeveloper and the Agency Parties and to provide severability of interests.

5.3.5 Primary Insurance Endorsements for Additional Insured. The Redeveloper's commercial general liability and automobile liability insurance policies shall be endorsed to provide that the insurance afforded by those policies to the additional insured is primary and that all insurance carried by the Agency Parties is strictly excess and secondary and shall not contribute with the Redeveloper's commercial general liability or automobile liability insurance policies.

5.3.6 Scope of Coverage for Additional Insured. The coverage afforded to the Agency Parties as additional insured under any policy of insurance obtained or maintained by the Redeveloper in satisfaction of the insurance requirements of this Agreement must be at least as broad as that afforded to the Redeveloper and may not contain any terms, conditions, exclusions, or limitations applicable to the Agency Parties that do not apply to the Redeveloper.

5.3.7 Delivery of Certificate, Policy, and Endorsements. Before the Close of Escrow, the Redeveloper shall deliver to the Agency all endorsements required by this Section 5.3 and original certificates of insurance for each insurance policy required to be obtained and maintained by the Redeveloper under Section 5.2, executed by an authorized agent of the insurer or insurers, evidencing compliance with the liability insurance requirements of this Agreement. The certificates shall provide for no less than thirty (30) calendar days' advance written notice to the Agency from the insurer or insurers of any cancellation, non-renewal, or material change in coverage or available limits of liability and shall confirm compliance with the liability insurance requirements of this Agreement. The Redeveloper shall also deliver all required endorsements and certificates to the Agency: (a) at least thirty (30) calendar days before the expiration date of any insurance policy and (b) upon renewal of any insurance policy. Upon request from the Agency, the Redeveloper shall deliver certified copies of all insurance policies obtained or maintained by the Redeveloper in satisfaction of the insurance requirements of this Agreement. Receipt by the Agency of evidence of insurance that does not comply with the requirements of this Agreement shall not constitute a waiver of the insurance requirements of this Agreement.

5.3.8 Concurrency of Primary, Excess, and Umbrella Policies. The Redeveloper's liability insurance coverage may be provided by a combination of primary, excess, and umbrella policies, but those policies must be absolutely concurrent in all respects regarding the coverage afforded by the policies. The coverage of any excess or umbrella policy must be at least as broad as the coverage of the primary policy.

5.3.9 Insurance Independent of Indemnification. The insurance requirements set forth in Section 5.2 and this Section 5.3 are independent of the Redeveloper's indemnification and other obligations under this Agreement and shall not be construed or interpreted in any way to satisfy, restrict, limit, or modify the Redeveloper's indemnification or other obligations or to limit the Redeveloper's liability under this Agreement, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall the provision of such insurance preclude the Agency from taking such other actions as are available to it under any other provision of this Agreement or otherwise at law or in equity.

5.3.10 Deductibles and Self-Insured Retentions. All deductibles and self-insured retentions under the Redeveloper's policies are subject to the Agency's prior written approval. The Redeveloper shall pay any and all deductibles and self-insured retentions under all insurance policies issued in satisfaction of the terms of this Agreement regarding any claims relating to the Agency Parties.

5.3.11 No Agency Representation Regarding Adequacy of Insurance. The Agency makes no representation that the limits or forms of insurance coverage specified in this

Agreement are adequate to cover the Redeveloper's property, business operations or obligations under this Agreement.

5.3.12 Waiver Of Subrogation. The Redeveloper shall cause each of the carriers issuing any insurance policy obtained or maintained in satisfaction of the insurance requirements of this Agreement to waive any right of subrogation that such carrier may have or acquire in the future against any or all of the Agency Parties in a form acceptable to the Agency.

5.3.13 No Separate Insurance. The Redeveloper shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under Section 5.2, unless endorsed in favor of the Agency, as required by Section 5.2 or this Section 5.3.

5.3.14 Full Insurable Value. For purposes of this Agreement, the term "full insurable value" means the actual cost of replacing the property in question, without allowance for depreciation, as calculated from time to time (but not more often than once every calendar year) by the insurance company or companies providing such insurance or, at the Agency's request, by appraisal made by an appraiser, engineer, architect, or contractor proposed by the Redeveloper and approved by said insurance company or companies and the Agency. The Redeveloper shall pay the cost of any such appraisal.

5.3.15 Approval Not Warranty. No approval by the Agency of any insurer may be construed to be a representation, certification, or warranty of its solvency and no approval by the Agency as to the amount, type, or form of any insurance may be construed to be a representation, certification, or warranty of its sufficiency by the Agency.

5.4 Employment of Compton Residents. The Redeveloper understands and agrees in the fulfillment of the provisions of this Agreement and complying with the City Council request, the creation of new jobs from this Project shall be filled with residents from the City of Compton, without regard to race, color, creed, religion, sex, mental status, ancestry, or national origin, to the extent that it is practicable and reasonable. Redeveloper hereby agrees that.

5.4.1 During the development of the Site as provided herein, Developer shall cause its contractors and subcontractors ("Contractors") to provide to Agency a list of job positions, if any, which such Contractors intend to fill with new employees in order to develop the Site together with a list of hiring criteria and job requirements for potential employees; and

5.4.2 Prior to hiring employees for the initial opening of business operations on the Site, Developer and/or Developer's tenants on the Site, as applicable, will provide to Agency the number of positions projected to be created initially by such operations and a list of hiring criteria and job requirements for potential employees.

5.4.3 Agency and/or the City may then choose to post such information on its CareerLink service or provide to Redeveloper, tenants and/or contractors, as applicable, a list of potential qualified applicants (i.e., those applicants meeting the stated hiring criteria). Developer agrees, and shall cause the tenants and contractors to agree, to review and fairly consider for employment those qualified applicants. Nothing contained herein shall be deemed to require

Developer or any tenant to or contractor alter its standard hiring criteria and/or practices nor violate any Federal, state or local laws regarding discrimination with respect to any person.

5.5 Prevailing Wage Requirements. Redeveloper shall carry out its construction of ~~the Project on the Property and the public improvements necessary for the development of the~~ Property in conformity with all applicable laws, including all applicable State of California labor standards and requirements and with respect to the development of the Property. Redeveloper hereby agrees to indemnify, defend and hold Agency Parties harmless from and against any and all claims, losses, costs, expenses and liabilities arising out of or related to Redeveloper's failure to comply with any and all applicable prevailing wage requirements or to require its subcontractors to comply with the requirements of this Section 5.5.

5.6 Property Taxes and Assessments. Redeveloper shall pay prior to the delinquency all real property taxes and assessments assessed and levied on or against the Property subsequent to the Close of Escrow. Nothing herein contained shall be deemed to prohibit Redeveloper from contesting the validity or amounts of any tax assessment, encumbrance or lien, nor to limit the remedies available to Redeveloper in respect thereto, or for claiming exemptions available under California Revenue & Taxation Code Section 214 (g).

5.7 Security Financing; Right of Holders.

5.7.1 Notwithstanding any provision of Section 1.5 to the contrary, any First Mortgage Financing required for any reasonable method of financing the construction and improvement of the Property is permitted before the recordation of any Certificate of Completion. Redeveloper shall notify Agency in writing in advance of any Lien if Redeveloper proposes to enter into the same before the recordation of any Certificate of Completion. Redeveloper shall not enter into any such Lien without first providing written notice to Agency. The following restrictions apply to any Lien: (i) it must be given to a responsible financial or lending institution including, without limitation, banks, savings and loan institutions, insurance companies, real estate investment trusts, pension programs and the like, or other acceptable persons or entities for the purpose of financing the construction of the Project on the Property, and (ii) any Loan made in connection with the Lien must contain customary construction lender disbursement controls.

5.7.2 Redeveloper shall promptly notify Agency of any Lien that has been created or attached thereto prior to completion of the construction of the Project on the Property whether by voluntary act of Redeveloper or otherwise.

5.7.3 The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no manner be obligated by the provisions of this Agreement to construct the Project on the Property or to guarantee such construction or completion; however, no such holder shall devote the Property to any other use, or to construct any other improvement thereon, except those uses or improvements provided for or authorized by this Agreement.

5.7.4 Whenever Agency shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper in the completion of construction of the Project

on the Property, or any breach or default of any other obligations which, if not cured by Redeveloper, entitle Agency to terminate this Agreement or exercise its right to re-enter the Property, or a portion thereof, Agency shall at the same time deliver to each holder of record of any Lien authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of Agency are concerned) have the right, at its option, to commence the cure or remedy of any such default and to diligently and continuously proceed with such cure or remedy, within sixty (60) calendar days after the receipt of the notice; and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession, such holder shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within sixty (60) calendar days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced, within such sixty (60) calendar day period, such holder shall have such additional time as is reasonably necessary to remedy or cure such default of Redeveloper, not to exceed one hundred eighty (180) calendar days. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Project on the Property (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Redeveloper's obligations by written agreement satisfactory to Agency. The holder in that event must agree to complete, in the manner provided in this Agreement, the improvements to which the Lien relates and must submit evidence satisfactory to Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder completing such improvements in accordance herewith shall be entitled, upon written request made to Agency, to be issued the Certificate of Completion by Agency.

5.7.5 In any case where, one hundred eighty (180) calendar days after default by Redeveloper under this Agreement, the holder of any such Lien has not exercised the option to construct the applicable portions of the Project on the Property, or has exercised the option but has not proceeded diligently and continuously with the completion of the construction of the Project on the Property, then in such event, Agency may purchase the Lien by payment to the holder of the amount of the unpaid debt, including principal, accrued and unpaid interest, late charges, costs, expenses and other amounts payable to the holder by Redeveloper under the loan documents between holder and Redeveloper. If the ownership of the Property has vested in the holder, Agency, if it so desires, shall be entitled to a conveyance from the holder to Agency upon payment to the holder of an amount equal to the sum of the following:

5.7.5.1 The unpaid Lien debt, including principal, accrued and unpaid interest, late charges, costs, expenses and other amounts payable to the holder by Redeveloper under the loan documents between the holder and Redeveloper, at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings.)

5.7.5.2 All expenses, if any, incurred by the holder with respect to foreclosure.

5.7.5.3 The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent ownership or management of the Property, such as insurance premiums and real estate taxes.

~~5.7.5.4 The cost of any improvements made by such holder that are~~
required by this Agreement or applicable law.

5.7.5.5 An amount equivalent to the interest that would have accrued on the aggregate on such amounts had all such amounts become part of the Lien had the Lien continued in existence to the date of payment by Agency.

5.7.6 In the event of a default or breach by Redeveloper of a Lien with respect to the Property (or any portion thereof) prior to the issuance of a Certificate of Completion for the Project, and the holder has not exercised its option to complete the development, Agency may cure the default but is under no obligation to do so prior to completion of any foreclosure. In such event, Agency shall be entitled to reimbursement from Redeveloper of all costs and expenses incurred by Agency in curing the default, and such obligations shall be secured by the Deed of Trust.

5.8 Certificate of Completion.

5.8.1 Following the written request therefor by Redeveloper and the completion of construction of the Project on the Property, excluding minor building punch-list items to be completed by Redeveloper upon any Unit in the Project, Agency shall furnish Redeveloper with a Certificate of Completion for the Project, substantially in the form set forth in Exhibit "F", and such Certificate of Completion shall be recorded after Redeveloper's completion of construction of the Project on the Property if requested by Redeveloper. Notwithstanding any provision set forth herein to the contrary, the completion of construction of the Project on the Property shall include the completion of construction of all of the Units on the Property and any and all on-site parking, common area landscaping and related improvements necessary to support or which meet the requirements applicable to occupancy of each Unit comprising the Project.

5.8.2 Agency shall not unreasonably withhold the issuance of a Certificate of Completion. A Certificate of Completion shall be, and shall so state, that it is a conclusive determination of satisfactory completion of all of the construction obligations of this Agreement. After the recordation of the Certificate of Completion, any party thereafter leasing or otherwise acquiring any interest in a Unit shall not (because of such lease or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by the Regulatory Agreement and any covenants contained in the Agency Grant Deed or other instrument of transfer, which Agency Grant Deed or other instrument of transfer shall include the applicable provision of Section 6.2.1 of this Agreement.

5.8.3 The Certificate of Completion shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County, California.

5.8.4 If Agency refuses or fails to furnish a Certificate of Completion after written request from Redeveloper, Agency shall, within fifteen (15) calendar days of the written request or within three (3) calendar days after the next regular meeting of Agency, whichever

date occurs later, provide to Redeveloper a written statement setting forth the reasons with respect to Agency's refusal or failure to furnish a Certificate of Completion. The statement shall also contain Agency's opinion of the action Redeveloper must take to obtain a Certificate of Completion. If the reason for such refusal is confined to the immediate unavailability of specific ~~items or materials for construction or landscaping at a price reasonably acceptable to~~ Redeveloper or other minor building "punch-list" items, Agency may issue its Certificate of Completion upon the posting of a bond or irrevocable letter of credit, reasonably approved as to form and substance by Agency Counsel and obtained by Redeveloper in an amount representing a fair value of the work not yet completed as reasonably determined by Agency. If Agency shall have failed to provide such written statement within the foregoing period, Redeveloper shall be deemed conclusively and without further action of Agency to have satisfied the requirements of this Agreement with respect to the construction of the Project on the Property as if a Certificate of Completion had been issued therefore.

5.8.5 A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Redeveloper to any holder of a Lien securing money loaned to finance the construction of the Project on the Property, or any part of the Project. A Certificate of Completion shall not be deemed to constitute a notice of completion as referred to in California Civil Code Section 3093, nor shall it act to terminate the continuing covenants or conditions subsequent contained in the Agency Grant Deed.

ARTICLE 6

USE OF THE PROPERTY

6.1 Project Restricted to Qualified Households. As more particularly provided in the Regulatory Agreement, Redeveloper covenants and agrees for itself, its successors, and assigns that seventy-four (74) Units in the Project remain available at an Affordable Rent to Qualified Households for a period of fifty-five (55) years following issuance of the Certificate of Completion for the Project subject to the following Unit occupancy restrictions:

6.1.1 At least fourteen (14) One Bedroom Units shall be occupied or available for occupancy by Senior 50% Households;

6.1.2 At least forty-six (46) One Bedroom Units shall be occupied or a available for occupancy by Senior 60% Households;

6.1.3 At least two (2) Two Bedroom Units shall be occupied or available for occupancy by Senior 50% Households;

6.1.4 At least twelve (12) Two Bedroom Units shall be occupied or available for occupancy by Senior 70% Households.

6.2 Obligation to Refrain from Discrimination. Redeveloper covenants and agrees for shall refrain from restricting the rental, sale or lease of the Site or improvements thereon on any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code.

Notwithstanding the foregoing, notwithstanding subdivision (a), with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the California Government Code shall apply to subdivision (a).

All deeds, leases or contracts relating to the Site or the Project to contain and be subject to the following nondiscrimination or nonsegregation clauses:

In Deeds. In deeds: "The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

In Leases. In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in

said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

In Contracts. In contracts: "There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

6.3 Effect and Duration of Covenants. The covenants of this Article 6 shall run with the land and be binding on successive owners of the Property. Each such covenant shall survive the Close of Escrow, execution and recordation of the Agency Deed and issuance and recordation of a Certificate of Completion, Certificate of Occupancy and any other document related to conveyance of the Property or construction or installation of the Project, for the time period specified herein. The covenants established against discrimination shall remain in effect in perpetuity. Subject to the provisions of Section 4.6.1.3.8, the covenants respecting use, occupancy and maintenance of the Project shall remain in effect for a period of fifty-five (55) years following issuance of the Certificate of Completion. All of the covenants set forth in Article 6 shall run with the land and shall constitute equitable servitudes thereon, and shall, without regard to technical classification and designation, be binding for the benefit and in favor of Agency, its successors and assigns and the City.

Agency may enforce the terms and provisions of this Agreement and the covenants running with the land for and in its own rights and for the purposes of protecting the interests of the community. Agency shall have the right, if such covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or such other proper proceedings to enforce the curing of such breaches to which it or any other beneficiary of such covenants may be entitled, including, without limitation, to specific performance, damages and injunctive relief. Agency shall have the right to assign all of its rights and remedies hereunder to the City.

ARTICLE 7

DEFAULTS, REMEDIES AND TERMINATION

~~7.1 Events of Defaults. Each of the following shall constitute an "Event of Default".~~

7.1.1 The Redeveloper fails to make any payment or any deposit of funds or provide any bond or other security required under this Agreement or to pay any other charge set forth in this Agreement, following seven (7) days' after written notice of such failure to the Redeveloper from the Agency.

7.1.2 Subject to the extensions of time set forth in Section 7.6 hereof, failure or delay by either Party to perform any term or provision of this Agreement or any document executed by Redeveloper in favor of Agency under this Agreement (including the Deed of Trust and the Regulatory Agreement) that does not require the payment of money shall constitute an "Event of Default" under this Agreement that if such Party fails to commence to cure, correct or remedy such default within thirty (30) calendar days after written notice specifying such default or thereafter fails to diligently and continuously prosecute such cure, correction or remedy to completion.

7.1.3 Any failure or delays by either Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

7.1.4 Any default by the Redeveloper under the Regulatory Agreement, that is not curable or, if curable, is not cured to the Agency's satisfaction within thirty (30) days following written notice of the default to the Redeveloper from the Agency.

7.1.5 Any representation, warranty or disclosure made to the Agency by the Redeveloper regarding this Agreement or the Project is materially false or misleading as of the date made, whether or not such representation or disclosure appears in this Agreement.

7.1.6 Any material deviation in the work of construction or installation of the Project from the approved Scope of Development, without the prior written approval of the Agency.

7.1.7 The appearance of defective workmanship or materials and such defects are not corrected or substantially corrected, within thirty (30) days after receipt of written notice of such defective workmanship or materials to the Redeveloper from the Agency.

7.1.8 Any portion of the Project encroaches over the Property boundaries or setback lines or violates any easement rights and the condition is not corrected, within thirty (30) days following written notice of such encroachment or violation to the Redeveloper from the Agency.

7.1.9 The development of the Project does not proceed with due diligence, or does not comply with the deadlines in the Schedule of Performance, subject to force majeure delay.

~~7.1.10 There occurs any event of dissolution, reorganization or termination of the~~
Redeveloper.

7.1.11 The occurrence of a Transfer, whether voluntarily or involuntarily or by operation of law, in violation of the terms and conditions of this Agreement.

7.1.12 The Redeveloper becomes insolvent or a receiver is appointed to conduct the affairs of the Redeveloper under state or federal law;

7.1.13 The Redeveloper's legal status as a California corporation authorized by the Secretary of State of the State of California to transact business in California is suspended or terminated.

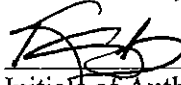
7.2 Legal Actions.

7.2.1 In addition to any other rights or remedies, upon an Event of Default by a Party, the other Party may terminate this Agreement and/or institute legal action to cure, correct or remedy any default, to recover damages for any default (subject to the pre-closing liquidated damages provisions below), or to obtain any other remedy. Such legal actions must be instituted in the Superior Court of the Los Angeles County, California, or in any other appropriate court in Los Angeles County, California.

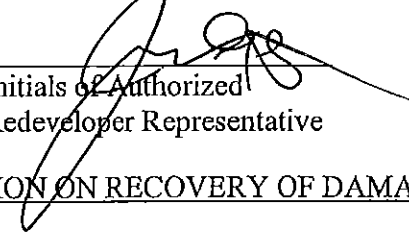
7.2.1.1 The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

7.3 PRE-CLOSING LIQUIDATED DAMAGES TO THE AGENCY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, THE AGENCY MAY CANCEL THE ESCROW AND TERMINATE THIS AGREEMENT UPON CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT, THE AGENCY SHALL BE RELIEVED OF ANY OBLIGATION OF THE AGENCY UNDER THIS AGREEMENT TO SELL OR CONVEY THE PROPERTY TO THE REDEVELOPER. ANY SUCH ESCROW CANCELLATION AND TERMINATION OF THIS AGREEMENT SHALL BE WITHOUT ANY LIABILITY OF THE AGENCY TO THE REDEVELOPER OR ANY OTHER PERSON ARISING FROM SUCH ACTION. THE AGENCY AND THE REDEVELOPER ACKNOWLEDGE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY THE AGENCY, IN THE EVENT OF A CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW. HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES THE AGENCY WOULD SUFFER, IN THE EVENT OF A CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE

REDEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, THE AGENCY AND THE REDEVELOPER AGREE THAT A REASONABLE ESTIMATE OF THE AGENCY'S DAMAGES IN SUCH EVENT IS THE PRE-CLOSING LIQUIDATED DAMAGES AMOUNT. THEREFORE, UPON THE CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT BY THE AGENCY DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW, THE ESCROW HOLDER SHALL IMMEDIATELY CANCEL THE ESCROW AND PAY THE PRE-CLOSING LIQUIDATED DAMAGES AMOUNT TO THE AGENCY WITHIN FIVE (5) DAYS FOLLOWING ESCROW CANCELLATION. RECEIPT OF THE PRE-CLOSING LIQUIDATED DAMAGES AMOUNT SHALL BE THE AGENCY'S SOLE AND EXCLUSIVE REMEDY UPON THE CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE REDEVELOPER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW.



Initials of Authorized
Agency Representative



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Redeveloper Representative

7.4 REDEVELOPER'S LIMITATION ON RECOVERY OF DAMAGES PRIOR TO CLOSE OF ESCROW.

7.4.1 IN THE EVENT OF THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE AGENCY, PRIOR TO THE CLOSE OF ESCROW, THE REDEVELOPER SHALL EITHER MAKE A CLAIM FOR SPECIFIC PERFORMANCE OR BE LIMITED TO RECOVERING ANY AMOUNTS ACTUALLY EXPENDED BY THE REDEVELOPER IN REASONABLE RELIANCE ON THIS AGREEMENT, PRIOR TO THE DATE OF THE OCCURRENCE OF THE EVENT OF DEFAULT BY THE AGENCY, NOT TO EXCEED ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000). THE REDEVELOPER WAIVES ANY RIGHT TO RECOVER ANY OTHER SUMS FROM THE AGENCY ARISING FROM AN EVENT OF DEFAULT BY THE AGENCY, PRIOR TO THE CLOSE OF ESCROW. THE REDEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 7.4.1, WHICH CIVIL CODE SECTION READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

7.4.2 BY INITIALING BELOW, THE REDEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF CIVIL CODE SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 7.4.2.

Initials of Authorized
Redeveloper Representative

7.5 Rights and Remedies are Cumulative. Except for the pre-closing liquidated damages provisions above (which shall be the exclusive damage remedies for defaults prior to closing), the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Agency Acquisition of Plans. If this Agreement is terminated pursuant to a contractual right granted to a Party in this Agreement or pursuant to default of a Party, Agency shall have the option to purchase all Redeveloper's plans, studies, surveys, etc. prepared specifically for the Project, at a mutually acceptable price.

ARTICLE 8

GENERAL PROVISIONS

8.1 Notices, Demands and Communications Between the Parties.

8.1.1 Any and all notices, demands or communications submitted by any Party to another Party pursuant to or as required by this Agreement shall be proper if in writing and dispatched by messenger for immediate personal delivery, or by registered or certified United States mail, postage prepaid, return receipt requested, to the principal office of Agency and Redeveloper, as applicable, as designated in Section 8.1.2 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate as provided in this Section 8.1.1. Any such notice, demand or communication shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is dispatched by messenger for immediate personal delivery, or two (2) calendar days after it is placed in the United States mail as heretofore provided.

8.1.2 In addition to the submission of notices, demands or communications to the Parties as set forth above, copies of all notices shall also be delivered by facsimile as follows:

To Redeveloper:

Compton Senior Apartments, L.P.,
1640 S. Sepulveda Blvd., Suite 425
Los Angeles, CA, 90025
Attn: Tim Soule
Facsimile: (310) 575-3563
E-mail: tsoule@metahousing.com

with copy to:

Bocarsly, Emden, Cowan, Esmail & Arndt
LLP
633 West Fifth Street, 70th Floor
Los Angeles, CA 90071
Attn: Nicole Deddens, Esq.
Fax: 213-239-0410
E-mail: ndeddens@BocarslyEmden.com

to Agency:

The Redevelopment Agency of the
City of Compton
205 S. Willowbrook Avenue
California 90220
Attn: Redevelopment Director
Facsimile: (310) 605-5511
E-mail: kboakye@comptoncity.org

with copy to:

Richards, Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attention: Jim G. Grayson
Fax: (213) 626-0078
E-mail: jgrayson@rwglaw.com

8.2 Conflict of Interest. No member, official or employee of the City, Agency, or Authority having any conflict of interest, direct or indirect, related to this Agreement, the Site, or the development or operation of the Project shall participate in any decision relating to this Agreement. The Parties represent and warrant that they do not have knowledge of any such conflict of interest.

8.3 Warranty Against Payment of Consideration for Agreement. Redeveloper warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 8.3, shall not include persons to whom fees are paid for professional services if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by Redeveloper.

8.4 Nonliability of Agency Officials and Employees. No member, official or employee of Agency shall be personally liable to Redeveloper, or any successor in interest, in the event of any default or breach by Agency or for any amount which may become due to Redeveloper or to its successor, or on any obligations under the terms of this Agreement, except for gross negligence or willful acts of such member, officer or employee.

8.5 Enforced Delay: Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default, or considered to be a default, where delays or defaults are due to the force majeure events of war, acts of terrorism, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes or lack of transportation, weather-caused delays, inability to secure necessary labor, materials or tools, delays of any contractors, subcontractor or supplier, which are not attributable to the fault of the Party claiming an extension of time to prepare or acts or failure to act of any

public or governmental agency or entity (provided that acts or failure to act of the City or Agency shall not extend the time for Agency to act hereunder. An extension of time for any such force majeure cause shall be for the period of the enforced delay and shall commence to run from the date of occurrence of the delay; provided however, that the Party which claims the existence of the delay has first provided the other Party with written notice of the occurrence of the delay within ten (10) calendar days of the commencement of such occurrence of delay. The inability of Redeveloper to obtain a satisfactory commitment from a Construction Lender for the improvement of the Property or to satisfy any other condition of this Agreement relating to the redevelopment of the Property shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a delay under this Section 8.5. The Parties hereto expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of any of them which may have provided a basis for entering into this Agreement and which occur at any time after the execution of this Agreement, are not force majeure events and do not provide any Party with grounds for asserting the existence of a delay in the performance of any covenant or undertaking which may arise under this Agreement. Each Party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such Party under this Agreement, but that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such Party of its obligations under this Agreement.

8.6 Inspection of Books and Records. Agency shall have the right at all reasonable times at Agency's cost and expense to inspect the books and records of Redeveloper pertaining to the Property, and/or the development of the Project on the Property, as necessary for Agency, in its reasonable discretion, to enforce its rights under this Agreement. Matters discovered by Agency shall not be disclosed to third parties unless required by law or unless otherwise resulting from or related to the pursuit of any remedies or the assertion of any rights of Agency hereunder.

8.7 Real Estate Commissions. Agency shall not be liable for any real estate commissions, brokerage fees or finder fees which may arise from or related to this Agreement.

8.8 Redeveloper Indemnification of the Agency.

8.8.1 Indemnity. In addition to any other specific indemnification or defense obligations of the Redeveloper set forth in this Agreement and to the fullest extent permitted by law, the Redeveloper agrees to indemnify, defend (upon written request by the Agency and with counsel reasonably acceptable to the Agency) and hold harmless each and all of the Agency Parties from and against all losses, liabilities, claims, damages, penalties, fines, forfeitures, costs and expenses (including all responsible out-of-pocket litigation costs and reasonable attorney's fees) and demands of any nature (collectively, "**Claims**") that are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part by:

8.8.1.1 Any act, omission, fault or negligence, whether active or passive, of the Redeveloper or the Redeveloper's officers, agents, employees, independent contractors or subcontractors of any tier, relating in any manner to this Agreement or any work to be performed by any such person related to this Agreement, the Property, or the Project; or

8.8.1.2 Any authority or obligation exercised or undertaken by the Redeveloper under or pursuant to this Agreement;

8.8.1.3 Any breach or default in performance of any obligation of the Redeveloper under this Agreement; or

8.8.1.4 Any claims, lawsuits or injunction asserting the invalidity of this Agreement.

8.8.2 Strict Liability. The indemnification obligation of the Redeveloper shall apply regardless of whether liability without fault or strict liability is imposed or sought to be imposed on one or more of the Agency Parties. The indemnification obligations of the Redeveloper shall not apply to the extent that a final judgment of a court of competent jurisdiction establishes that a Claim against Agency Party was proximately caused by the negligence or willful misconduct of that Agency Party. In such event, however, the Redeveloper's indemnification obligations to all other Agency Parties shall be unaffected.

8.8.3 Independent of Insurance Obligations. The Redeveloper's indemnification obligations pursuant to this Section 8.8 shall not be construed or interpreted as in any way restricting, limiting, or modifying the Redeveloper's insurance or other obligations under this Agreement and is independent of the Redeveloper's insurance and other obligations under this Agreement. The Redeveloper's compliance with its insurance obligations and other obligations under this Agreement shall not in any way restrict, limit, or modify the Redeveloper's indemnification obligations under this Agreement.

8.8.4 Attorneys' Fees. The Agency Parties shall be entitled to recover their reasonable attorneys' fees and actual costs incurred in enforcing the Redeveloper's indemnification obligations pursuant to this Section 8.8.

8.8.5 Survival of Indemnification and Defense Obligations. The Redeveloper's indemnification and defense obligations pursuant to this 8.8 shall survive the expiration or earlier termination of this Agreement, until all Claims against any of the Agency Parties involving any of the indemnified matters are fully, finally, and absolutely and completely barred by the applicable statutes of limitations.

8.8.6 Independent Duty to Defend. The Redeveloper's duty to defend the Agency Parties is separate and independent of the Redeveloper's duty to indemnify the Agency Parties. The duty to defend includes Claims for which the Agency Parties may be liable without fault or strictly liable. The duty to defend applies regardless of whether the issues of negligence, liability, fault, default, or other obligation on the part of the Redeveloper or the Agency Parties have been determined. The duty to defend applies immediately, regardless of whether the Agency Parties have paid any sums or incurred any detriment arising out of or relating (directly or indirectly) to any Claims. It is the express intention of the Redeveloper and the Agency that the Agency Parties be entitled to obtain summary adjudication or summary judgment regarding the Redeveloper's duty to defend the Agency Parties at any stage of any Claim or suit within the scope of this Section 8.8.

8.9 Release of Redeveloper from Liability; Limitations on Recourse.

Notwithstanding any provision herein to the contrary, Redeveloper shall be relieved of any and all liability for the obligations of Redeveloper hereunder with regard to the development of the Property when a Certificate of Completion has been issued by Agency hereunder with respect thereto, other than any covenants and obligations in the Regulatory Agreement or the Agency Grant Deed. The provisions of this Section 8.9 shall extend to any permitted successor of Redeveloper. Nothing contained in this Section 8.9 shall be deemed to impair any security interest held by the Agency in the Project or the Property or to preclude the Agency from foreclosing thereon or from realizing upon any security encumbered in favor of Agency in the event of a default by Redeveloper.

8.10 Attorneys' Fees. If either Party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, or is made a party to any action or proceeding brought by the Escrow Holder or a third party, then as between Redeveloper and Agency, the prevailing Party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees and costs of experts as fixed by the Court, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees. For the purposes hereof the words "reasonable attorneys' fees" mean and include, in the case of Agency, salaries and expenses of the lawyers employed by Agency (allocated on an hourly basis) who may provide legal services to Agency in connection with the representation of Agency in any such matter.

8.11 Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

8.12 Further Assurances. The Parties agree to consider in good faith such additional actions or the execution of such other documents as may be reasonably necessary to the financing, development, and operation of the Project, although nothing in this Section 8.12 shall be deemed a representation, guarantee or commitment by either Party to take any action or execute any document.

8.13 Amendment of Redevelopment Plan. Pursuant to provisions of the Redevelopment Plan for modification or amendment thereof, the Agency agrees that no amendment which changes the uses or development permitted on the Site or changes the restrictions or controls that apply to the Site or otherwise affects the Site shall be made or become effective without the prior written consent of the Redeveloper. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of the Redeveloper.

ARTICLE 9

ENTIRE AGREEMENT, WAIVERS AND AMENDMENT

9.1 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements

between the Parties with respect to all or any portion of the Property and the development thereof.

9.2 No Merger With Grant Deeds. None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the Grant Deeds, and this Agreement shall continue in full force and effect before and after such conveyance.

9.3 Waivers and Amendments. All waivers of the provisions of this Agreement and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Redeveloper.

The Executive Director of Agency is authorized to sign on his or her own authority amendments to this Agreement which are of routine or technical nature, including minor adjustments not exceeding in the aggregate sixty (60) calendar days to the Schedule of Performance.

ARTICLE 10

EXECUTION

10.1 Execution of Agreement. This Agreement may be executed in duplicate originals each of which is deemed to be an original. This Agreement includes 54 pages (excluding signature pages) and Exhibits "A" – "L", which constitute the entire understanding and Agreement of the Parties.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the dates set forth below.


[Signatures on following pages]

SIGNATURE PAGE
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

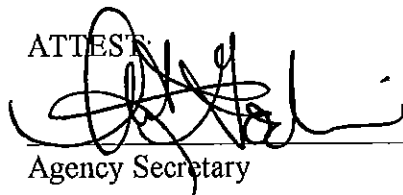
AGENCY:

THE REDEVELOPMENT AGENCY OF THE
CITY OF COMPTON,
a public body, corporate and politic


Dated: 6-4-09

By: 
Charles Evans
Executive Director

ATTEST:

 6-8-09
Agency Secretary

APPROVED AS TO LEGAL FORM:



Agency Counsel



REDEVELOPER:

COMPTON SENIOR APARTMENTS, L.P., a
California limited partnership

By: Western Community Housing, Inc.,
a California non-profit corporation
Its: Managing General Partner

By: 
Name: Graham Espley-Jones
Its: President

By: Compton Senior Apartments, LLC,
a California limited liability company
Its: General Partner

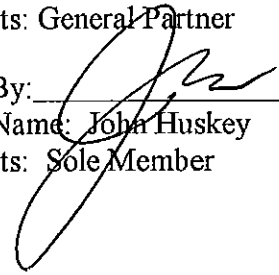
By: 
Name: John Huskey
Its: Sole Member

EXHIBIT A
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Legal Description of Property~~

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

EXCEPTING ALL OIL HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED IN THE DEED RECORDED ON APRIL 29, 1988 AS INSTRUMENT NO. 88-591501 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

LOTS 1 THROUGH 6 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 3:

LOTS 7 THROUGH 13 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

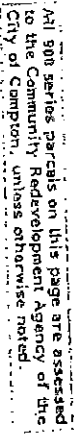
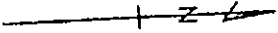
EXHIBIT B
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Site Map of Property~~

[Attached Behind This Page]

WRIGHT'S ADDITION TO
THE TOWN OF COMPTON
M.R. 7-55

FOR PREV. ASMT. SEE: 439-14, 15 & 30



REVISED
571113 D01
1270441 5066020503
08072604 006043
03060503 00100000
58070402 00001-N
09110602 00001-N
0000 1310 020001-10
0000 1310 020001-10
0000 1310 020001-10
0000 1310 020001-10

FEB 03 2004
ASAC'S MAP
COUNTY OF LOS ANGELES, CALIF.

EXHIBIT C
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Scope of Development

Description of Improvements. Compton Senior Apartments consists of the new construction of 75 one and two-bedroom rental apartments for very low- and low-income seniors on a 1.7 acre lot in Compton. Compton Senior Apartments will be designed to complement the neighborhood while providing a high-quality and safe environment for the senior residents. Fifteen (15) of the units will be two-bedroom units of approximately 760 sq. ft. and the remaining sixty (60) will be one-bedroom units of approximately 570 sq. ft. The building will be U-shaped to match the contours of the site, with a large courtyard with a water feature, a large community room, a computer and multi-media room, outdoor barbecues and tables, communal kitchen, library, laundry room, mail room, landscaping, and manager's unit. The development is described in greater detail on the attached conceptual architectural plans.

Project Scale and Massing. Compton Senior Apartments will be Type V construction, with on-grade parking next to three levels of units. The front of the property will be gated with a single pedestrian entrance from North Tamarind Avenue that utilizes an intercom system. There will be vehicular entrances into the property from E. Arbutus Street and E. Carson Place, and the property will be completely fenced. These entrances will be locked at all times, with access restricted to tenants with keys. The manager's unit will face the entrance, allowing the manager to conveniently observe the building's entrance/exit. The lobby and community room will be on the ground floor, closest to N. Tamarind Avenue.

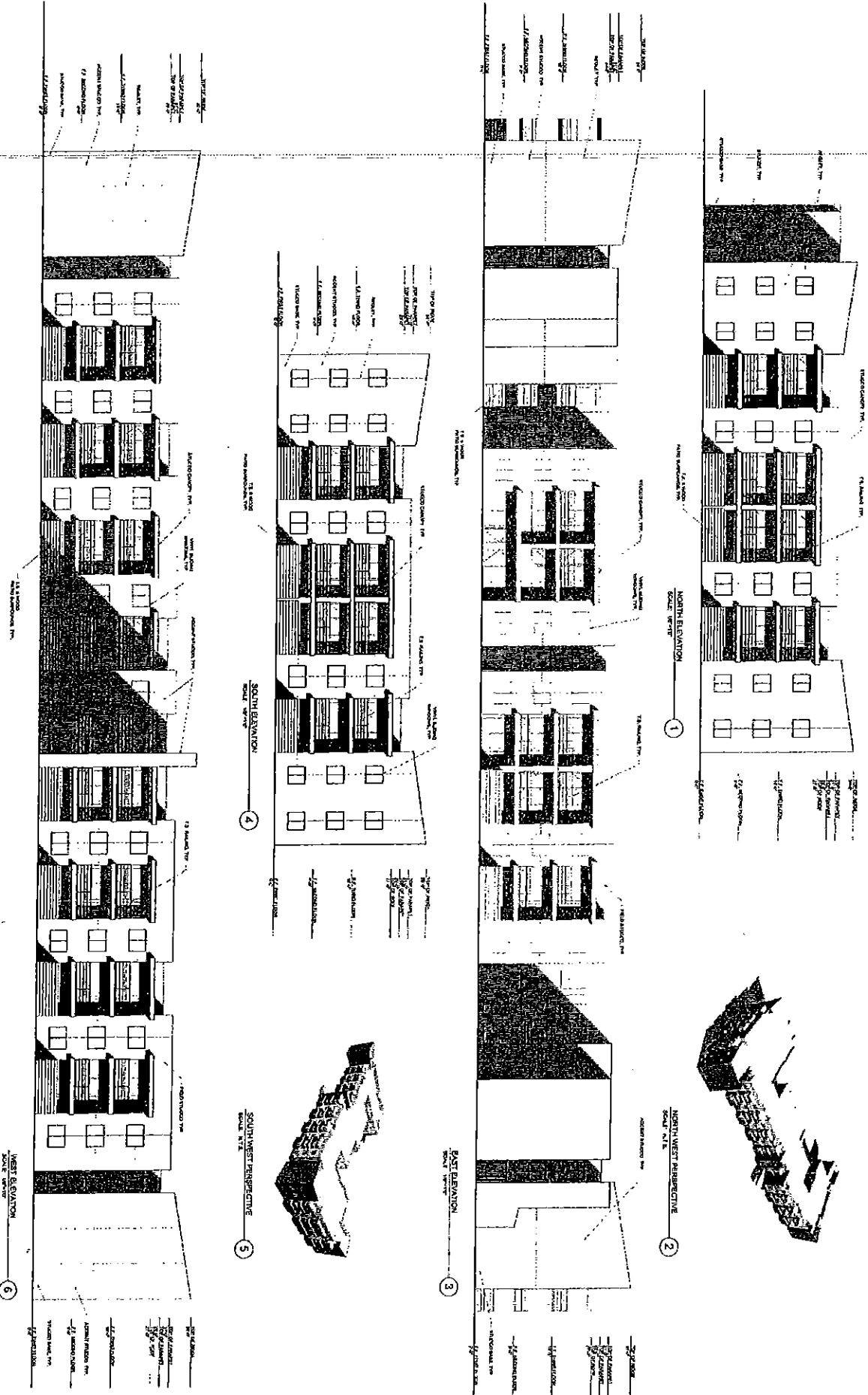
Landscaping. The perimeter and courtyard areas of Compton Senior Apartments will be fully landscaped to fit with both the building and the neighborhood.

Parking. Compton Senior Apartments will have a single level of on-grade parking with 75 parking spaces.

COMPTON SENIOR HOUSING

DEVELOPED BY: META HOUSING CORPORATION
300 WEST 10TH STREET, SUITE 100, NEW YORK, NY 10014
TEL: 212 691 1234 FAX: 212 691 1235
WWW.METAHOUSING.COM

THIS DOCUMENT IS THE PROPERTY OF JOHN COTTON ARCHITECTS. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF JOHN COTTON ARCHITECTS.





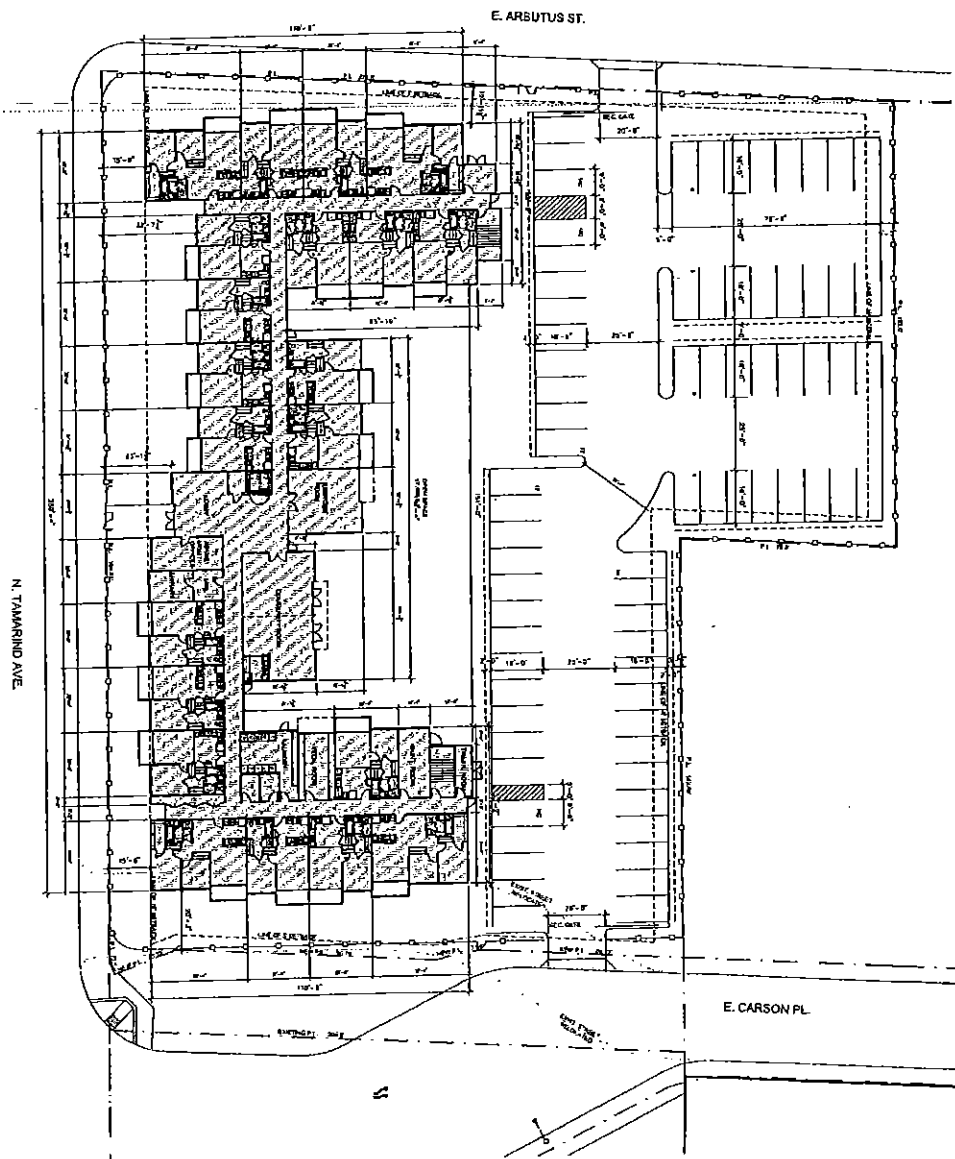
JOHN COTTON ARCHITECTS
300 WEST STREET, SUITE 200, NEW YORK, NY 10014
WWW.JOHN-COTTON.COM

COMPTON SENIOR HOUSING

DEVELOPED BY: META HOUSING CORPORATION
1000 BROADWAY, SUITE 200, NEW YORK, NY 10019
WWW.METAHOUSING.COM

THIS PLAN IS A PRELIMINARY DESIGN AND IS NOT TO BE USED FOR CONSTRUCTION. IT IS THE PROPERTY OF JOHN COTTON ARCHITECTS AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF JOHN COTTON ARCHITECTS.

SITE PLAN, GROUND FLOOR PLAN



PROJECT DATA SUMMARY

APN:	6186-10-001-004
ZONE:	HIGH DENSITY RESIDENTIAL (R-1)
PROJECT ADDRESS:	302 N. TAMMIND AVE.
GROSS LOT SIZE/AREA:	84,545 S.F.
RESIDENTIAL UNITS:	15 TOTAL 2 B.R. UNITS (798 S.F. EA.) 60 TOTAL 1 B.R. UNITS (572 S.F. EA.)

PROJECT SUMMARY TABLE	
GROSS LANDSITE AREA:	84,545 S.F.
NET LANDSITE AREA:	78,125 S.F.
LOT COVERAGE:	19,642 S.F. (25%)
TOTAL BLDG. AREA:	58,227 S.F.
FLOOR AREA RATIO (FAR):	0.75
TOTAL PARKING AREA:	23,917 S.F. (31%)
PARKING PROVIDED:	75 PARKING SPACES
OPEN SPACE:	7,400 S.F.

COMMON AREAS:	
RECEPTION/LOBBY ROOM:	1,131 S.F.
TECH ROOM:	281 S.F.
LOBBY:	845 S.F.
MANAGEMENT OFFICE:	143 S.F.
ADMINISTRATION OFFICE:	143 S.F.
LIBRARY:	184 S.F.
EXERCISE ROOM:	564 S.F.
MAIL ROOM:	110 S.F.
LAUNDRY:	385 S.F.
RESTROOMS:	122 S.F.
TOTAL:	3,078 S.F.

TOTAL UNITS:	
75 SENIOR CITIZEN APARTMENTS	
80 ONE-BEDROOM	
15 TWO-BEDROOM	
AREA OF UNITS:	
UNIT 'A' ONE-BEDROOM:	572 S.F.
UNIT 'B' ONE-BEDROOM:	572 S.F.
UNIT 'C' TWO-BEDROOM:	798 S.F.



JOHN COTTON ARCHITECTS

215 EAST 81ST AVENUE, CITY LAUREL, MD 21044-3333 PHONE: 410.326.1100 FAX: 410.326.1101 WWW.JOHN-COTTON.COM

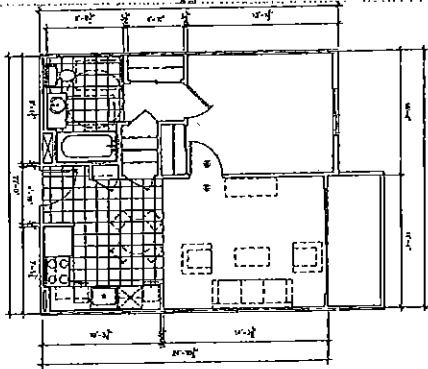
COMPTON SENIOR HOUSING

DEVELOPED BY: META HOUSING CORPORATION

1400 REVOLUTION BLVD., SUITE 200, LAUREL, MD 21044-3333 PHONE: 410.326.1100 FAX: 410.326.1101 WWW.METAHOUSING.COM

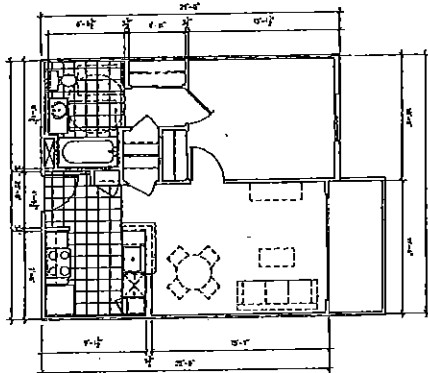
1 BEDROOM FLOOR PLAN - A1

Overall Dimensions: 30'-0" x 30'-0"



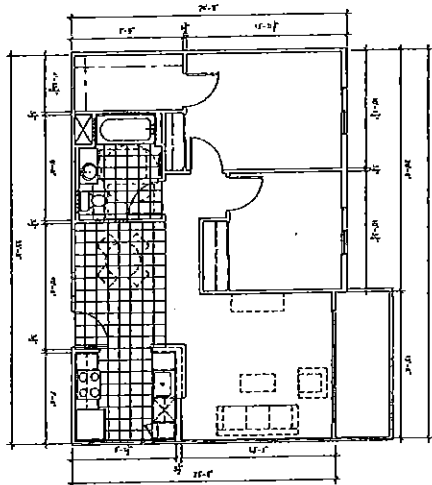
1 BEDROOM FLOOR PLAN - A2

Overall Dimensions: 30'-0" x 30'-0"



2 BEDROOM FLOOR PLAN - B1

Overall Dimensions: 30'-0" x 30'-0"



NOTE: ALL UNITS ARE REQUIRED AND
DESIGNED TO BE A.D.A. ADAPTABLE.

100%
UPH

EXHIBIT D
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Schedule of Performance

[Attached Behind This Page]

Items marked "complete" are considered complete as of the effective date of the Disposition and Development Agreement.

<u>Item To Be Performed</u>	<u>Time for Performance</u>
1. Redeveloper executes and delivers DDA to Agency	Within 7 days after approval of the DDA.
2. Agency executes DDA	Within 20 days after execution by Redeveloper of DDA and delivery to Agency
3. Agency delivers to Redeveloper Preliminary Title Report	As soon as practicable following Opening of Escrow.
4. Redeveloper approves or disapproves title exceptions	Within 30 days after delivery of Title Report and title exception documents to Redeveloper
5. Agency delivers notice to Redeveloper as to whether it will cure disapproved exceptions	Within 20 days after receipt of Redeveloper's notice or deadline for delivery of such notice.
6. Redeveloper submits preliminary construction drawings and landscaping plans.	Within 90 days after Agency approval of Basic Concept Drawings and City planning approval.
7. Agency approves preliminary construction drawings and landscaping plans.	Within 30 days of receipt from Redeveloper .
8. Redeveloper submits Final Building Plans.	Within 180 days after Agency approval of preliminary plans and corresponding approval of City.
9. Agency approves or disapproves of Final Building Plans.	Within 60 days after submittal by Redeveloper .
10. Escrow Agent gives notice of fees, charges, and costs to close escrow	On preliminary settlement statement prior to Closing
11. Deposits into escrow by Agency :	
a) Executed Agency Grant Deed	On or before 1:00 p.m. on the last business day preceding the Closing Date
b) Payment of Agency's Share of	On or before 1:00 p.m. on the last

Item To Be Performed**Time for Performance**

- | | |
|----------------------------------|--|
| Escrow Costs | business day preceding the Closing Date |
| c) FIRPTA Certificate | Within 15 days after opening of escrow. |
12. Deposits into escrow by **Redeveloper**:
- | | |
|--|--|
| a) Residual Receipts Promissory Note and Deed of Trust | On or before 1:00 p.m. on the last business day preceding the Closing Date |
| b) Payment of Redeveloper's Share of Escrow Costs | On or before 1:00 p.m. on the last business day preceding the Closing Date |
| c) Certificates evidencing insurance | Prior to closing, site preparation or construction |
| d) Taxpayer ID Certificate | Prior to Closing Date |
13. All Project Entitlements Prior to Close of Escrow
14. **Close of Escrow (the Closing)** On or prior to February 28, 2010, or the extended Outside Closing Date, if applicable.
15. **Redeveloper** completes construction of improvements to the extent required to receive Certificate of Completion. Within 24 months after the Close of Escrow.
16. **Agency** issues Certificate of Completion Within 30 days of written request by **Redeveloper**, and **Redeveloper's** satisfactory completion of all improvements.

It is understood that the foregoing Schedule of Performance is subject to all of the terms and conditions set forth in the text of the DDA. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the DDA, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both **Redeveloper** and **Agency**. A failure by either party to enforce a breach of any particular time provision shall not be construed as a waiver of any other time provision.

EXHIBIT E
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Agency Grant Deed

RECORDING REQUESTED BY:

First American Title Insurance Company

AND WHEN RECORDED RETURN TO:

The Redevelopment Agency of the City of Compton
205 S. Willowbrook Avenue
Compton, California 90220
Attn: Redevelopment Director

APN: 6166-010-901, 6166-010-902, 6166-010-903, 6166-010-904

Grantor declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a public body, corporate and politic ("**Grantor**"), hereby grants to **COMPTON SENIOR APARTMENTS, L.P.**, a California limited partnership ("**Grantee**"), that certain real property described in Exhibit A attached hereto (the "**Site**") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Disposition and Development Agreement entered into by and between Grantor and Grantee dated as of June 1, 2009 (the "**Agreement**"), and the Redevelopment Plan (as defined in the Agreement), the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor, 205 S. Willowbrook Avenue, Compton California 90220. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. By acceptance hereof, Grantee covenants, for itself and its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections

12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

2. All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

2.1 In deeds: "The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

2.2 In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California

Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

2.3 In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

3. All covenants contained in this Grant Deed shall run with the land for the benefit of, and shall only be enforceable by, Grantor or the City of Compton (as a third party beneficiary) and their respective successors and assigns, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. In the event of a breach of any covenant contained in this Grant Deed, Grantor shall have the right to exercise any right or remedy provided in the Agreement or otherwise available at law or in equity, to enforce the curing of such breach.

4. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signatures appear on next page.]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Grant Deed as of the date set forth below.

Dated: June ____, 2009

GRANTOR:

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON,**
a public body, corporate and politic

By: _____

Name: _____

Title: _____

ATTEST:

Secretary

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

On _____, before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

Exhibit A

LEGAL DESCRIPTION

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

EXCEPTING ALL OIL HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED IN THE DEED RECORDED ON APRIL 29, 1988 AS INSTRUMENT NO. 88-591501 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

LOTS 1 THROUGH 6 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 3:

LOTS 7 THROUGH 13 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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EXHIBIT F
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Certificate of Completion~~

[Attached Behind This Page]

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

The Redevelopment Agency of
the City of Compton
205 S. Willowbrook Avenue
Compton, California 90220
Attn: Redevelopment Director

APN'S: 6166-010-901, 902, 903 and 904

(Space above for Recorder's Use)
Exempt From Recording Fee Per Government Code Section 27383

REDEVELOPMENT AGENCY OF THE CITY OF COMPTON

CERTIFICATE OF COMPLETION

This Certificate of Completion constitutes conclusive evidence of the Agency's determination of the Redeveloper's satisfaction of its construction obligations under the Agreement with respect to the Project. Notwithstanding any provision of this Certificate of Completion, the Agency may enforce any covenant surviving this Certificate of Completion in accordance with the terms and conditions of the Agreement, including but not limited to Section 5.9, and the Deed(s) by which the Property was conveyed to the Redeveloper by the Agency under the Agreement. The Agreement is an official record of the Agency and a copy of the Agreement may be inspected in the office of the Secretary of the Agency located at 205 S. Willowbrook Avenue, Compton, California, during the regular business hours of the Agency.

DATED AND ISSUED this ____ day of _____, ____.

Chairperson

Secretary

EXHIBIT F-1
TO
CERTIFICATE OF COMPLETION

Property Legal Description

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

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EXHIBIT G
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Regulatory Agreement

[Attached Behind This Page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The Redevelopment Agency of the
City of Compton
205 S. Willowbrook Avenue,
Compton, California 90220
Attention: Redevelopment Director

APN'S: 6166-010-901, 902, 903 and 904

(Space above for Recorder's Use)

Exempt From Recording Fee Per Government Code Section 27383

**COMPTON SENIOR APARTMENTS
REGULATORY AGREEMENT**

by and between

**THE REDEVELOPMENT AGENCY OF THE CITY OF COMPTON,
a public body, corporate and politic**

and

**COMPTON SENIOR APARTMENTS, L.P.,
a California limited partnership**

[Reference dated as of _____, 2009]

This COMPTON SENIOR APARTMENTS REGULATORY AGREEMENT ("Regulatory Agreement") is made and entered into as of _____, 2009, by and between THE REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, a public body corporate and politic ("Agency") and COMPTON SENIOR APARTMENTS, L.P., a California limited partnership ("Redeveloper").

RECITALS

A. Agency and Redeveloper have entered into that certain Disposition And Development Agreement, dated as of June 1, 2009 ("Agreement"), which provides for, among other things, the conveyance of certain real property ("Property") from Agency to Redeveloper and the development of an affordable housing project on the Property ("Project"), subject to certain conditions, including the terms and conditions of this Regulatory Agreement. The Property is legally described on the attached Attachment No. 1. The Project also includes all related landscaping, driveways, utilities, and any improvements which may be required by the City of Compton ("City") on the Property. All initially capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such term by the Agreement.

B. The terms of the Agreement require that certain covenants and affordability restrictions remain in full force and effect on the Property for a term of fifty-five (55) years following the recordation of a Certificate of Completion for the Project.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND UNDERTAKINGS SET FORTH HEREIN, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, REDEVELOPER AND AGENCY DO HEREBY COVENANT AND AGREE FOR THEMSELVES, THEIR SUCCESSORS AND ASSIGNS AS FOLLOWS:

1. Definitions of Certain Terms. As used in this Regulatory Agreement, the following words and terms shall have the meaning as provided in the Recitals or in this Section 1, unless the specific context of usage of a particular word or term may otherwise require:

1.1 Affordable Rent. The term "**Affordable Rent**" shall have the same meaning as set forth in California Health and Safety Code Section 50053, as that Section may hereafter be amended from time-to-time, and shall provide a reasonable allowance for utilities. If the Project qualifies for federal tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, then the applicable federal affordable rent rates shall apply in lieu of the requirements of the preceding sentence, but only if the applicable federal affordable rent rates do not exceed those imposed by the requirements of the preceding sentence.

1.2 AMI. The term "**AMI**" shall mean the area median income for Los Angeles County, California, adjusted for family size, established by the State of California Department of Housing and Community Development pursuant to California Health and Safety Code Section 50093, as amended from time to time, in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

1.3 Certificate of Completion. The term "**Certificate of Completion**" shall mean the written certification of Agency that the Project is complete and in compliance with the terms and conditions of the Agreement, substantially in the form of Exhibit "F" attached to the Agreement.

1.4 Reserved.

1.5 Project. The term "**Project**" shall mean the design, development and operation of a project consisting of one (1) un-restricted residential unit for an on-site manager and seventy-four (74) senior affordable housing rental units and all related on- and off-site improvements, subject to the following restrictions:

1.5.1 At least fourteen (14) One Bedroom Restricted Units shall be occupied or available for occupancy by Senior 50% Households;

1.5.2 At least forty-six (46) One Bedroom Restricted Units shall be occupied or available for occupancy by Senior 60% Households;

1.5.3 At least two (2) Two Bedroom Restricted Units shall be occupied or available for occupancy by Senior 50% Households;

1.5.4 At least twelve (12) Two Bedroom Restricted Units shall be occupied or available for occupancy by Senior 70% Households.

The Project shall also include all required or associated demolition, on-site and off-site improvements, hardscape improvements, parking areas and carports, and landscaping improvements to the Property, which are specifically described in the Scope of Development, and which shall be developed in accordance with plans and specifications approved by the City and any conditions imposed by the City in its consideration of Redeveloper's development applications related to the Project.

1.6 Qualified Households. The term "Qualified Households" shall mean, as applicable, either a "Senior 50% Household", a "Senior 60% Household" or a "Senior 70% Household," as defined below:

1.6.1 "**Senior 50% Household**" means an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than fifty percent (50%) of the then-current AMI; and

1.6.2 "**Senior 60% Household**" an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than sixty percent (60%) of the then-current AMI.

1.6.3 "**Senior 70% Household**" an individual 55 years of age or older, or a household which has at least one member who is 55 years of age or older, and at the commencement of the occupancy of a Unit, has an Adjusted Family Income equal to or less than seventy percent (70%) of the then-current AMI.

1.7 Term. The word "Term" shall mean the period of time following issuance of the Certificate of Completion and ending on the fifty-fifth (55th) anniversary thereafter.

1.8 Restricted Unit. The term "Restricted Unit" shall mean one (1) of the seventy-four (74) units within the Project which are burdened by this Regulatory Agreement and which may be leased to a Qualified Household at an Affordable Rent.

1.9 Restricted Units. The term "Restricted Units" shall mean the seventy-four (74) units restricted to Qualified Households pursuant to this Regulatory Agreement.

2. Acknowledgment of Redeveloper. Redeveloper hereby acknowledges that this Regulatory Agreement imposes certain restrictions on the use and occupancy of the Project and the Property during the Term of this Regulatory Agreement. Redeveloper acknowledges and understands that the restrictions shall be applicable to the Project and the Property for the Term hereof, commencing on the date of recordation of the Certificate of Completion for the Project.

Initials of Redeveloper

3. Covenants and Obligations of Redeveloper.

3.1 Development. Redeveloper hereby reaffirms its covenant and agreement, as set forth in the Agreement, to undertake, and thereafter, diligently complete the development of the Project on the Property in accordance with the Scope of Development attached as Exhibit "C" to the Agreement, within the period of time set forth under the Schedule of Performance attached as Exhibit "D" to the Agreement.

3.2 Redeveloper covenants that the Restricted Units shall at all times be occupied or held vacant and available for rental at an Affordable Rent for the Qualified Household income level designated by Section 1.1 to occupy such Restricted Unit.

3.3 Rent Covenant. Redeveloper covenants that no Qualified Household shall pay an amount in excess of Affordable Rent applicable to such Qualified Household. Redeveloper may increase rents based on changes in AMI only, as published by the California Department of Housing and Community Development, and no more than once in any twelve (12) month period. Under no circumstances shall Redeveloper increase rent more than five percent (5%) in any twelve (12) month period, provided, however, if an annual change in AMI would result in an increase of more than 5% in any year, Redeveloper shall be permitted to increase rent in any subsequent year up to 5% to address such AMI increase regardless if the AMI increase occurs in the year the rent increase takes effect.

3.4 Tenant Qualification.

3.4.1 Each of the sixty (60) one-bedroom Restricted Units shall be leased to a Qualified Household of one or two persons.

3.4.2 Each of the fifteen (15) two-bedroom Restricted Units shall be leased to a Qualified Household of not more than three persons.

3.5 Proof of Qualification. Certification of qualifying household income shall be made by Redeveloper at the time of initial occupancy of a Restricted Unit and upon each renewal of a Qualifying Household's lease. All such verification information described in this Section 3.5 shall only be obtained by Redeveloper after obtaining the Qualifying Household's written consent for the release of such information to Redeveloper. Redeveloper shall obtain, prior to initial occupancy and upon each lease renewal and, thereafter, maintain on file, income certifications from each Qualifying Household leasing any of the Restricted Units in the Project in the form attached as Attachment No. 2. Redeveloper shall make a good faith effort to verify that the income information provided by an applicant (or occupying Qualifying Household) in an income certification is accurate by taking one or more of the following steps as a part of the verification process:

3.5.1 Obtain an income tax return for the most recent tax year;

3.5.2 Conduct a credit reporting agency or similar search;

3.5.3 Obtain an income verification form from the applicant's current employer;

3.5.4 Obtain an income verification form from the United States Social Security Administration and/or the State of California Department of Social Services, if the applicant receives assistance from either of such agencies; or

3.5.5 if the applicant is unemployed and has no such tax return, obtain another form of independent verification.

3.6 Recertification of Income. To the extent required by TCAC, on the anniversary of the occupancy of each Restricted Unit, Redeveloper shall recertify the household income of the Qualifying Household occupying the Restricted Unit. Copies of tenant income certifications shall be available to Agency upon request. Redeveloper shall ensure appropriate language is included in the lease requiring tenant to provide income information annually and acknowledge that should its income increase the household will be subject to higher rent.

3.7 Inspection. Redeveloper and all Qualifying Households shall permit Agency to conduct inspections of the Property and the Project from time-to-time for purposes of verifying compliance with this Regulatory Agreement, upon ten (10) calendar days prior written notice to Redeveloper.

3.8 Records and Audits. Records shall be established and maintained by Redeveloper relating to the use and occupancy of the Property and the Project for affordable rental housing use purposes, as authorized herein. Redeveloper shall be responsible for establishing and maintaining such records during the Term of this Regulatory Agreement, and Redeveloper shall provide Agency with copies of such records within thirty (30) calendar days of written request by Agency.

3.8.1 Commencing on the June 30 following the first (1st) anniversary of the date of recordation of this Regulatory Agreement, and on each June 30 thereafter during the Term, Redeveloper shall submit a report to Agency, in the form attached as Attachment No. 3 ("**Annual Report**"). The Annual Report shall include for each Restricted Unit in the Project, the

rent, income and household size of the Qualifying Household occupying the Restricted Unit. The Annual Report shall also state the date the tenancy commenced for each Restricted Unit and such other information as Agency may be required by law to obtain. Redeveloper shall provide any additional information reasonably requested by Agency, including without limitation ~~Project-related income and expense accounting information.~~

3.8.2 Agency shall have the right to examine and make copies of all books, records or other documents of Redeveloper which pertain to any Restricted Unit. Redeveloper shall maintain complete, accurate and current records pertaining to the Restricted Units, the Property and the Project, and shall permit any duly authorized representative of Agency (during business hours and upon not less than seventy-two (72) hours notice) to inspect such records, including records pertaining to income and household size of Qualifying Households.

3.9 Covenant of Redeveloper With Respect to the lease of Restricted Units in the Project. Redeveloper for itself, its successors and assigns hereby covenants and agrees that, in connection with the lease of Restricted Units in the Project to Qualifying Households during the Term, it shall comply with the following requirements:

3.9.1 The lease between Redeveloper and the Qualifying Household shall be for not less than one (1) year, unless by mutual agreement between Redeveloper and the Qualifying Household, but in such a case for not less than six (6) months, as required by applicable provisions of the United States Internal Revenue Code.

3.9.2 The lease shall not contain any of the following provisions:

3.9.2.1 an agreement by the Qualifying Household to be sued, to admit guilt or to consent to entry of a judgment in favor of Redeveloper in a lawsuit brought in connection with the lease;

3.9.2.2 an agreement by the Qualifying Household that Redeveloper may take, hold or sell personal property of household members, without notice to the Qualifying Household and a court decision on the rights of the parties, other than an agreement by the tenant concerning disposition of personal property remaining in the Restricted Unit, after the Qualifying Household has moved out of the Restricted Unit;

3.9.2.3 an agreement by the Qualifying Household not to hold Redeveloper or its agents legally responsible for any action or failure to act, whether intentional or negligent;

3.9.2.4 an agreement by the Qualifying Household that Redeveloper may institute a lawsuit without notice to the Qualifying Household;

3.9.2.5 an agreement by the Qualifying Household that Redeveloper may evict the Qualifying Household without instituting a civil court proceeding in which the Qualifying Household has the opportunity to present a defense, or before a court decision on the rights of the parties;

3.9.2.6 an agreement by the Qualifying Household to waive any right to a trial by jury;

3.9.2.7 an agreement by the Qualifying Household to waive the Qualifying Household's right to appeal, or to otherwise challenge a court decision in connection with the lease;

3.9.2.8 an agreement by the Qualifying Household to pay attorney's fees or other legal costs, even if the Qualifying Household wins in a court proceeding by Redeveloper against the Qualifying Household; provided, however, the Qualifying Household may be obligated to pay costs in the event it loses such a legal action.

3.10 Redeveloper shall not terminate the tenancy or refuse to renew the lease of a Qualifying Household, except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause. Redeveloper shall, in connection with a termination of a tenancy or a refusal to renew a lease, serve written notice upon the Qualifying Household specifying the grounds for the action, at least thirty (30) calendar days before the termination of the tenancy.

3.11 Redeveloper shall adopt written tenant selection policies and criteria that:

3.11.1 are consistent with the purpose of providing housing for households who have an income that is no more than the Qualifying Household Income;

3.11.2 are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;

3.11.3 give reasonable consideration to the housing needs of individuals who occupy substandard housing (including individuals that are homeless or living in a shelter for homeless individuals); individuals that are paying more than fifty percent (50%) of their annual income for rent; or individuals that are involuntarily displaced;

3.11.4 provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

3.11.5 give prompt written notification to any rejected applicant of the grounds for rejection.

3.12 Except as may otherwise be required by the rental requirements of the financing approved pursuant to the Agreement, as applicable, all Restricted Units shall be available at an Affordable Rent for occupancy on a continuous basis to the appropriate Qualifying Households with a Qualifying Household Income for the income category attributable to that Restricted Unit. Redeveloper shall not give preference to any particular class or group of persons in renting the Restricted Units. Redeveloper shall include a statement in all advertisements, notices and signs for the availability of Restricted Units for rent to the effect that Redeveloper is an Equal Housing Opportunity Provider.

3.13 Obligation to Refrain from Discrimination. Redeveloper covenants and agrees for shall refrain from restricting the rental, sale or lease of the Site or improvements thereon on any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code. Notwithstanding the foregoing, notwithstanding subdivision (a), with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the California Government Code shall apply to subdivision (a).

All deeds, leases or contracts relating to the Site or the Project to contain and be subject to the following nondiscrimination or nonsegregation clauses:

In Deeds. In deeds: "The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

In Leases. In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

In Contracts. In contracts: "There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

4. Development and Management of the Project.

4.1 Management of Project. Redeveloper shall be responsible for management of the Project, including, without limitation, the selection of Qualifying Households, certification and recertification of household size, and income and the age of the head of household of all Restricted Units, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. Agency shall have no responsibility for the management or operation of the Project or the Property. The Project shall at all times be managed by an experienced management agent ("**Management Agent**") reasonably acceptable to Agency, with demonstrated ability to operate residential rental facilities similar to the Project in a manner that will provide decent, safe, and sanitary housing. For the purposes hereof, if Redeveloper directly performs the functions of the Management Agent by its employees or by means of a service contract with an entity which is a partner in Redeveloper, such a Management Agent shall be deemed approved by Agency. If the Management Agent is an entity or person other than Redeveloper, its employees, a partner in Redeveloper or an entity owned or controlled by Redeveloper or which owns and/or controls Redeveloper, Redeveloper shall submit for Agency's approval the identity of any proposed Management Agent, together with additional information relevant to the background, experience and financial condition of

any proposed Management Agent, as reasonably requested by Agency. If the proposed Management Agent meets the standard for a qualified Management Agent set forth above, Agency shall approve the proposed Management Agent by notifying Redeveloper in writing within thirty (30) days following the written request of Redeveloper for such approval. Unless the proposed Management Agent is disapproved by Agency within thirty (30) days, which disapproval shall state with reasonable specificity the basis for disapproval, it shall be deemed approved. Barker Management Company is hereby approved by Agency as the initial Management Agent for the Project.

4.1.1 If Redeveloper directly performs the functions of the Management Agent by its employees or by means of a service contract with an entity which is a partner in Redeveloper and the Agency determines the Redeveloper has not met its management responsibilities, Agency shall have the right to enter the Project, to review relevant documentation to determine if Redeveloper is acting in a reasonable manner and to require Redeveloper to hire a third party management company acceptable to the Agency.

4.2 Insurance. Redeveloper shall cause to be in full force and effect during the Term hereof such insurance coverages as required by Section 5.2 of the Agreement and as otherwise required by the terms of any First Mortgage Financing Permanent Lender.

5. Maintenance of the Project. Redeveloper, for itself, its successors and assigns, hereby covenants and agrees that the exterior areas of the Project which are subject to public view (e.g.: all improvements, paving, walkways, landscaping, and ornamentation) shall be maintained in good repair and in a neat, clean and orderly condition, ordinary wear and tear excepted. In the event that at any time during the Term, there is an occurrence of an adverse condition on any area of the Project which is subject to public view in contravention of the general maintenance standard described above, ("**Maintenance Deficiency**") then Agency shall notify Redeveloper in writing of the Maintenance Deficiency and give Redeveloper thirty (30) calendar days from the date of such notice to cure the Maintenance Deficiency as identified in the notice. The words "Maintenance Deficiency" include without limitation the following inadequate or non-conforming property maintenance conditions and/or breaches of residential property use restrictions: (i) failure to properly maintain the windows, structural elements, and painted exterior surface areas of the Restricted Units in a clean and presentable manner; (ii) failure to keep the common areas of the Project free of accumulated debris, appliances, inoperable motor vehicles or motor vehicle parts, or free of storage of lumber, building materials or equipment not regularly in use on the property; (iii) failure to regularly maintain, replace and renew the landscaping in a reasonable condition free of weed and debris; and (iv) the use of garage areas on the Project for purposes other than the parking of motor vehicles and the storage of personal possessions and mechanical equipment of persons residing in the Project.

5.1 In the event Redeveloper fails to cure or commence to cure the Maintenance Deficiency within the time allowed, Agency may thereafter conduct a public hearing following transmittal of written notice thereof to Redeveloper ten (10) calendar days prior to the scheduled date of such public hearing in order to verify whether a Maintenance Deficiency exists and whether Redeveloper has failed to comply with the provision of this Section 5.1. If, upon the conclusion of a public hearing, Agency makes a finding that a Maintenance Deficiency exists and that there appears to be non-compliance with the general maintenance standard, as described

above, thereafter Agency shall have the right to enter the Project (exterior areas of the Project which are subject to public view only) and perform all acts necessary to cure the Maintenance Deficiency, or to take other action at law or equity Agency may then have to accomplish the abatement of the Maintenance Deficiency. Any sum expended by Agency for the abatement of a Maintenance Deficiency as authorized by this Section 5.1 shall become a lien on the Project. If the amount of the lien is not paid within thirty (30) calendar days after written demand for payment by Agency to Redeveloper, Agency shall have the right to enforce the lien in the manner as provided in Section 5.3.

5.2 Graffiti which is visible from any public right-of-way which is adjacent or contiguous to the Project shall be removed by Redeveloper from any exterior surface of a structure or improvement on the Project by either painting over the evidence of such vandalism with a paint which has been color-matched to the surface on which the paint is applied, or graffiti may be removed with solvents, detergents or water as appropriate. In the event that graffiti is placed on the Project (exterior areas only) and such graffiti is visible from an adjacent or contiguous public right-of-way and thereafter such graffiti is not removed within seventy-two (72) hours following the time of its application; then in such event and without notice to Redeveloper, Agency shall have the right to enter the Project and remove the graffiti. Notwithstanding any provision of Section 5.1 to the contrary, any sum expended by Agency for the removal of graffiti from the Project as authorized by this Section 5.2 shall become a lien on the Project and Redeveloper hereby grants the Agency a power of sale in connection therewith. If the amount of the lien is not paid within thirty (30) calendar days after written demand for payment by Agency to Redeveloper, Agency shall have the right to enforce its lien in the manner as provided in Section 5.3.

5.3 Subject to the lien of any senior lender, the parties hereto further mutually understand and agree that the rights conferred upon Agency under this Section 5 expressly include the power to establish and enforce a lien or other encumbrance against the Property in the manner provided under California Civil Code Sections 2924, 2924b and 2924c in the amount as reasonably necessary to restore the Project to the maintenance standards required under Section 5.1 or Section 5.2, including attorneys fees and costs of Agency associated with the abatement of the Maintenance Deficiency or removal of graffiti and the collection of the costs of Agency in connection with such action. In any legal proceeding for enforcing such a lien against the Project, the prevailing party shall be entitled to recover its attorneys' fees and costs of suit. The provisions of this Section 5 shall be a covenant running with the land for the Term and shall be enforceable by Agency in its discretion, cumulative with any other rights or powers granted by Agency under applicable law. Nothing in the foregoing provisions of this Section 5 shall be deemed to preclude Redeveloper from making any alterations, additions, or other changes to any structure or improvement or landscaping on the Project, provided that such changes comply with the zoning and development regulations of the City and other applicable law.

5.4 Capital Replacement Reserve Account. Redeveloper shall establish an account for the payment of repair and replacement of capital items ("**Capital Replacement Reserve Account**") in an initial amount equal to Thirty Eight Thousand Dollars (\$38,000). Each Fiscal Year thereafter, Redeveloper shall deposit into the Capital Reserve Replacement Account an additional amount of at least Two Hundred Fifty Dollars (\$250) per unit per year.

5.4.1 Capital Repairs and Replacements. Capital repairs and replacements shall include, but not be limited to, the following: wet and dry utilities; roof repair and replacement as necessary; repair and replacement of boilers and the major operating components thereof; pool plastering; replacement of outside furniture located at the pool area; common area; ~~the Project rental office and any Project community meeting room~~; stucco repair and replacement; exterior painting; replacement of carpeting and vinyl or other hard surface flooring; replacement of drapes; replacement of dishwashers and garbage disposals; and repair and replacement of heating, ventilating and air conditioning systems, equipment and components. All of the foregoing and other similar expenditures on the Project shall be considered to be qualifying capital repair and replacement expenses. Interior painting, repair or replacement of other interior appliances and servicing, repair or replacement of interior hardware shall not be considered to be a capital repair, but shall be ordinary operating expenses for the Project. Redeveloper shall withdraw from the Capital Replacement Reserve Account to pay such capital repair and replacement expenses that have been approved by Agency as Redeveloper may deem necessary for the purposes of meeting the maintenance and replacement obligations described herein.

5.4.2 Insured Depository. The Capital Replacement Reserve Account shall be maintained in a depository insured by an agency of the federal government. Operation of the Capital Replacement Reserve Account shall be consistent with the requirements of any ancillary agreements concerning financing for the Project, including those dealing with yield restrictions and arbitrage monitoring, reporting and payments if any.

5.4.3 Documentation. Annually, or more frequently at Agency's request, Redeveloper shall document the level of capital repairs and replacements for the preceding period. Redeveloper shall maintain and shall provide as requested documentation showing the quantity and price of items purchased, price of materials and the cost of contracted labor or other services incurred in connection with such capital repair and replacement, and such other items as Agency may reasonably request. If the cost of a capital repair or a replacement is anticipated to exceed Ten Thousand Dollars (\$10,000) per year, Redeveloper shall inform Agency and supply Agency with reasonable documentation concerning the need for and cost of the anticipated capital repair or replacement.

5.4.4 Withdrawals from Reserve Account. On an annual basis, Redeveloper shall notify Agency of the anticipated cash requirements which will need to be withdrawn from the Capital Replacement Reserve Account. Amounts so budgeted and approved by Agency may be withdrawn by Redeveloper from the indicated Capital Replacement Reserve Account without further Agency approval. Other withdrawals for unbudgeted, unanticipated or emergency Project expenditures or for repairs required by Lender or the Tax Credit Limited Partner may be withdrawn by Redeveloper without prior Agency approval, but Redeveloper shall notify Agency in writing within ten (10) calendar days after withdrawal. All amounts so withdrawn by Redeveloper shall be expended on the Project and in accordance with this Agreement.

5.4.5 Interest Earned on Funds in the Capital Replacement Reserve Account. Any interest or other earnings from sums deposited into the Capital Replacement Reserve Account shall be retained in and added to the balance in said account.

5.4.6 Capital Needs Assessment. Redeveloper shall deliver to Agency a capital needs assessment ("CNA") every five (5) years after the 15th year following Completion of Construction for the Agency's reasonable review and approval. The CNA shall include an analysis of Redeveloper's actual expenditures for capital needs compared to the most recently approved CNA, Redeveloper's original operating budget and its then-current operating budget. Each CNA shall include a ten (10) year capital needs assessment or analysis of replacement reserve requirements prepared by a qualified party in accordance with reasonable and customary standards for similar residential rental projects.

6. Covenants to Run With the Land. The Redeveloper and Agency hereby declare their specific intent that the covenants, reservations and restrictions set forth herein are part of a plan for the promotion and preservation of affordable housing within the territorial jurisdiction of Agency and that each shall be deemed covenants running with the land and shall pass to and be binding upon the Property and each successor-in-interest of Redeveloper in the Property for the Term. Redeveloper hereby expressly assumes the duty and obligation to perform each of the covenants and to honor each of the reservations and restrictions set forth in this Regulatory Agreement. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

7. Burden and Benefit. Agency and Redeveloper hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that Redeveloper's legal interest in the Property is affected by the affordable dwelling use and occupancy covenants hereunder. Agency and Redeveloper hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the affordable housing goals and objectives of Agency and in order to make the Property available for acquisition by Redeveloper.

8. Term. The provisions of this Regulatory Agreement shall apply to the Property for a term of fifty-five (55) years following date of the Certificate of Completion for the Project.

9. Defaults.

9.1 Events of Default. The occurrence of any of the following is a default and shall constitute a material breach of this Agreement and, if not corrected, cured or remedied in the time period set forth in Section 9.2, shall constitute an "Event of Default" hereunder:

9.1.1 failure of Redeveloper or any person under its direction or control to comply with or perform when due any term, obligation, covenant or condition contained in this Agreement;

9.1.2 any warranty, representation or statement made or furnished to Agency by Redeveloper under this Agreement is false or misleading in any material respect at the time made or furnished;

9.1.3 the dissolution or termination of the existence of Redeveloper as an ongoing business, insolvency, appoint of a receiver for any part of the property of Redeveloper, any assignment for the benefit of creditors, any type of creditor workout or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Redeveloper.

9.2 Notice of Default. Agency shall give written notice of default to Redeveloper in accordance with Section 16, stating that such notice is a "Notice of Default", specifying the default complained of by Agency and requiring the default to be remedied within thirty (30) calendar days of the date of the Notice of Default. Except as required to protect against further material damage, Agency may not institute legal proceedings against Redeveloper until thirty (30) calendar days after giving notice. Failure or delay in giving notice shall not constitute a waiver of any default, nor shall it change the time of occurrence of the default. If the default specified in the Notice of Default is such that it is not reasonably capable of being cured within thirty (30) calendar days, and if Redeveloper initiates corrective action within said thirty (30) calendar day period and diligently works to effect a cure as soon as possible, then Redeveloper may have such additional time, if any, as the Agency may authorize in writing in the exercise of its sole and absolute discretion to complete the cure of the breach prior to exercise of any other remedy for the occurrence of an Event of Default. Redeveloper fails to take corrective action relating to a default within thirty (30) calendar days following the date of notice (or to complete the cure within the additional time, if any, as may be authorized by Agency in writing), an Event of Default shall be deemed to have occurred.

9.3 Inaction Not a Waiver of Default. Any failure or delays by Agency in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by Agency in asserting any of its rights and remedies shall not deprive Agency of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

10. Remedies. Upon the occurrence of an Event of Default, Agency shall, in addition to the remedial provisions of Section 5 as related to a Maintenance Deficiency at the Property, be entitled to seek any appropriate remedy or damages by initiating legal proceedings as follows: (i) by mandamus or other suit, action or proceeding at law or in equity, to require Redeveloper to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of Agency; or (ii) by other action at law or in equity as necessary or convenient to enforce the obligations, covenants and agreements of Redeveloper to Agency.

10.1 Rights and Remedies are Cumulative. The rights and remedies of Agency as set forth in this Section 10 are cumulative and the exercise by Agency of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by Redeveloper.

10.2 Enforcement by Third Parties. The covenants and restrictions contained in this Regulatory Agreement shall run with the Property and shall be enforceable against the Redeveloper and each successor in interest to the Property by any of the following:

- (a) the Agency.

- (b) the community, as defined in Section 33002 of the California Health and Safety Code.
- (c) a resident of a Restricted Unit.
- (d) a residents' association with members who reside in Restricted Units.
- (e) a former resident in a Restricted Unit who last resided in that Restricted Unit.
- (f) an applicant seeking to enforce the covenants or restrictions for a particular Restricted Unit, if the applicant conforms to all of the following:
 - (i) is of low or moderate income, as defined in Section 50093 of the California Health and Safety Code;
 - (ii) is able and willing to occupy that particular Restricted Unit; or
 - (iii) was denied occupancy of that particular Restricted Unit due to an alleged breach of a covenant or restriction contained in this Regulatory Agreement.
- (g) a person on an affordable housing waiting list who is of low or moderate income, as defined Section 50093 of the California Health and Safety Code, and who is able and willing to occupy a Restricted Unit.

11. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California, without regard to its conflicts of laws principles.

12. Amendment. This Regulatory Agreement may be amended after its recordation only by a written instrument executed by Redeveloper and by Agency.

13. Attorney's Fees. In the event that a party brings an action to enforce any condition or covenant, representation or warranty in this Regulatory Agreement or otherwise arising out of this Regulatory Agreement, the prevailing party in such action shall be entitled to recover from the other party reasonable attorneys' fees to be fixed by the court in which a judgment is entered, as well as the costs of such suit. For the purposes of this Section 13, the words "reasonable attorneys' fees" in the case of Agency, include the salaries, costs and overhead of the lawyers employed as city attorneys of the City who provide legal counsel to Agency in such an action as well as any Agency attorney, as allocated on an hourly basis.

14. Severability. If any provision of this Regulatory Agreement shall be declared invalid, inoperative or unenforceable by a final judgment or decree of a court of competent jurisdiction such invalidity or unenforceability of such provision shall not affect the remaining parts of this Regulatory Agreement which are hereby declared by the parties to be severable from any other part which is found by a court to be invalid or unenforceable.

15. Time is of the Essence. For each provision of this Regulatory Agreement which states a specific amount of time within which the requirements thereof are to be satisfied, time shall be deemed to be of the essence.

16. Notice. Any notice required to be given under this Regulatory Agreement shall be given by Agency or by Redeveloper, as applicable, by personal delivery or by First Class United States mail at the addresses specified below or at such other address as may be specified in writing by the parties hereto:

To Redeveloper:

Compton Senior Apartments, L.P.
1640 S. Sepulveda Blvd., Suite 425
Los Angeles, CA, 90025
Attn: Tim Soule
Facsimile: (310) 575-3563
E-mail: tsoule@metahousing.com

with copy to:

Bocarsly, Emden, Cowan, Esmail &
Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, CA 90071
Attn: Nicole Deddens, Esq.
Fax: 213-239-0410
E-mail:
ndeddens@BocarslyEmden.com

to Agency:

The Redevelopment Agency of the
City of Compton
205 S. Willowbrook Avenue
Compton California 90220
Attn: Redevelopment Director
Facsimile: (310) 605-5511

with copy to:

Richards, Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attention: Jim G. Grayson
Fax: (213) 626-0078
E-mail: jgrayson@rwglaw.com

Notice shall be deemed given five (5) calendar days after the date of mailing to the party, or, if personally delivered, when received by the Executive Director of Agency or Redeveloper, as applicable.

17. Subordination. Provided the Agency has made the findings required by California Health & Safety Code Section 3334.14(a)(4) and the lender provides the written commitments to Agency described therein, then the Executive Director of the Agency shall reasonably subordinate this Regulatory Agreement to any deed of trust securing the applicable construction or permanent financing for the Project.

18. Recording. The parties hereto shall cause this Regulatory Agreement to be recorded in the Official Records of the County of Los Angeles.

19. No Third Party Beneficiary. Except as otherwise provided herein, no claim as a third-party beneficiary under this Agreement by any person, corporation or any other entity, shall be made or be valid against the Agency or Redeveloper.

20. Prohibition Against Transfer.

20.1 Except as expressly provided in this Section 20.1 or in the Agreement, Redeveloper shall not, without prior written approval of Agency, which may not be unreasonably withheld, delayed or conditioned, or except as permitted by this Agreement, (i) assign or attempt to assign this Agreement or any right herein or (ii) make any total or partial sale, transfer, conveyance, lease, leaseback, or assignment of the whole or any part of the Property or the improvements thereon or permit to be placed on any of the Property any unauthorized mortgage, trust deed, deed of trust, encumbrance or Lien.

20.2 In the absence of specific written agreement or approval by Agency, no unauthorized sale, transfer, conveyance, lease, leaseback or assignment of the Property shall be deemed to relieve Redeveloper or any other party from any obligations under this Agreement.

IN WITNESS WHEREOF, Redeveloper and Agency have caused this Regulatory Agreement to be signed, acknowledged and attested on their behalf by duly authorized representatives in counterpart original copies which shall upon execution by all of the parties be deemed to be one original document.

[Signatures on following pages]

SIGNATURE PAGE
TO
REGULATORY AGREEMENT

AGENCY:

THE REDEVELOPMENT AGENCY OF THE
CITY OF COMPTON, a public body, corporate and
politic

Dated: _____

By: _____
Charles Evans
Executive Director

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

Agency Counsel

SIGNATURE PAGE
TO
REGULATORY AGREEMENT

REDEVELOPER:

COMPTON SENIOR APARTMENTS, L.P.,
a California limited partnership

By: _____
Its: General Partner

Dated: _____

By: _____
Its: _____

Dated: _____

Name : _____

ATTACHMENT NO. 1
TO
REGULATORY AGREEMENT

~~Legal Description of the Property~~

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

EXCEPTING ALL OIL HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED IN THE DEED RECORDED ON APRIL 29, 1988 AS INSTRUMENT NO. 88-591501 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

LOTS 1 THROUGH 6 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 3:

LOTS 7 THROUGH 13 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

ATTACHMENT NO. 2
TO
COMPTON SENIOR APARTMENTS
REGULATORY AGREEMENT

Certification of Tenant Eligibility

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the United States Department of Housing and Urban Development ("HUD") Regulations (24 CFR 813). You should make certain that this form is at all times up-to-date with the HUD Regulations.

Re: **302 North Tamarind Avenue, Compton, CA 90220**

I/We, the undersigned state that I/we have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the Restricted Unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the Restricted Unit:

1.	2.	3.	4.	5.
Names of Members of Household	Relationship to Head of Household	Age	Social Security Number	Place of Employment
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Income Computation

6. The total anticipated income, calculated in accordance with the provisions of this Section 6, of all persons over the age of 18 years listed above for the 12-month period beginning the date that I/we plan to move into a Restricted Unit is \$ _____.

Included in the total anticipated income listed above are:

(a) all wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services, before payroll deductions;

(b) the net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets);

(c) interest and dividends (including income from assets excluded below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of period receipts, including any lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the maximum amount of public assistance available to the above persons other than the amount of any assistance specifically designated for shelter and utilities;

(g) periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling;

(h) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; and

(i) any earned income tax credit to the extent that it exceeds income tax liability.

Excluded from such anticipated income are:

(a) casual, sporadic or irregular gifts;

(b) amounts which are specifically for or in reimbursement of medical expenses;

(c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;

(d) amounts of educational scholarship paid directly to the student of the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, book and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes, are to be included in income;

(e) special pay to a household member who is away from home and exposed to hostile fire;

(f) relocation payments under Title 11 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977;

(i) payments to volunteers under the Domestic Volunteer Service Act of 1973; payments received under the Alaska Native Claims Settlement Act.

(k) income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;

(l) payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;

(m) payments received from the Job Training Partnership Act;

(n) income derived from the disposition of funds of the Grant River Band of Ottawa Indians; and

(o) the first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims.

7. Do the persons whose income or contributions are included in item 6 above:

(a) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interests in Indian trust land)? ☐ Yes ☐ No; or

(b) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? ☐ Yes ☐ No

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000? ☐ Yes ☐ No

(d) If the answer to (c) is yes, state:

(i) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the Restricted Unit that you propose to rent: \$ _____; and

(ii) the amount of such income, if any, that was included in item 6 above: \$ _____

8. (a) Are all of the individuals who propose to reside in the Restricted Unit full-time students*? ☐ Yes ☐ No

*A full-time student is an individual enrolled as a full-time student during each of five calendar months during the calendar year in which occupancy of the Restricted Unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance and is not an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, is at least one of the proposed occupants of the Restricted Unit a husband and wife entitled to file a joint federal income tax return? ____ Yes
____ No

9. Neither myself nor any other occupant of the Restricted Unit I/we propose to rent is the owner of the rental housing project in which the Restricted Unit is located (hereinafter the "Owner"), has any family relationship to the Owner or owns, directly or indirectly, any interest in the ownership. For purposes of this section, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member, and ownership, direct or indirect, by a partner of the individual.

10. This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the Restricted Unit; and I/we declare that all information set forth herein is true, correct and complete and, based upon information I/we deem reliable and that the statement of total anticipated income contained in Section 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. I/we will assist the Owner in obtaining any information or documents required to verify the statements made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

12. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the Restricted Units and will entitle the Owner to prevent or terminate my/our occupancy of the Restricted Unit by institution of an action for eviction or other appropriate proceedings.

13. Housing Issuer Statistical Information (Optional--will be used for reporting purposes only):

Marital Status: _____

Race (Head of Household)

White _____ Asian _____ Hispanic _____
African-American _____ Native American _____ Other _____

Physical Disability: Yes _____ No _____

I/we declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____, _____ in the County of Los Angeles, California.

Applicant

Applicant

[Signature of all persons over the age of 18 years listed in number 2 above required]

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. Calculation of eligible income:

(a) Enter amount entered for entire household in 6 above: \$ _____

(b) (1) If answer to 7(c) above is yes, enter the total amount entered in 7(d)(1), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance (\$ _____);

(2) Multiply the amount entered in 7(c) times the current passbook savings rate to determine what the total annual earnings on the amount in 7(c) would be if invested in passbook savings (\$ _____), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance

(3) Enter at right the greater of the amount calculated under (1) or (2) above: \$ _____;

(c) TOTAL ELIGIBLE INCOME
(Line 1(a) plus line 1(b)(3): \$ _____

2. The amount entered in 1(c):

_____ Qualifies the applicant(s) as a [insert income category 50%, 60% and 70% Qualified Household.]

_____ Does not qualify the applicant(s) as Qualified Household.

3. Number of apartment Restricted Unit assigned:

Bedroom Size: _____ Rent: \$ _____

[4. This apartment Restricted Unit [was/was not] last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment Restricted Unit, qualified them as Lower-Income Tenants.]

5. Method used to verify applicant(s) income:

_____ Employer income verification.

_____ Copies of tax returns.

_____ Other (_____)

Manager

The undersigned employee has applied for a rental Restricted Unit located in a project financed in part by The Redevelopment Agency of the City of Compton for persons of very low and low income. Every income statement of a prospective tenant must be stringently verified. Please

indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages _____ Overtime _____ Bonuses _____
Commissions _____

Total current income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

Signature Date Title

I hereby grant you permission to disclose my income to _____
_____ in order that they may determine my income
eligibility for rental of an apartment at [_____].

Signature Date

Please send to: _____

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Signature Date

ATTACHMENT NO. 3
TO
COMPTON SENIOR APARTMENTS
REGULATORY AGREEMENT

Certificate of Continuing Program Compliance
For Annual Reporting Period Ending

The undersigned, _____, as the authorized representative of _____ ("Redeveloper"), has read and is thoroughly familiar with the provisions of the various documents associated with the financial assistance provided by the Redevelopment Agency of the City of Compton ("Agency"), as established in numerous documents including the Regulatory Agreement, dated as of _____ between the Redeveloper and the Agency.

As of the date of this Certificate, the following percentage of completed residential Restricted Units in the project are (i) occupied by Qualified Households (as such term is defined in the Regulatory Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Qualified Household vacated such Restricted Unit, as indicated:

Number of Restricted Units occupied by Senior 50% Households: _____

Number of Restricted Units occupied by Senior 60% Households: _____

Number of Restricted Units occupied by Senior 70% Households: _____

Number of Vacant Restricted Units: _____

Number of Qualified Households who commenced occupancy during the preceding reporting period: _____

Attached is a separate sheet ("Occupancy Summary") listing, among other items, the appropriate information for each apartment Restricted Unit in the Project; the number of apartment Restricted Units, the occupants of each Restricted Unit and the rent paid for each Restricted Unit. The information contained thereon is true and accurate and reasonable and is based on information submitted to the owner and is certified under penalty of perjury by each tenant.

The undersigned hereby certifies that (1) a review of the activities of the Redeveloper during such reporting period and of the Redeveloper's performance under the Regulatory Agreement has been made under the supervision of the undersigned; and (2) to the best of the knowledge of the undersigned, based on the review described in clause (1) hereof, the Redeveloper is not in default under any of the terms and provisions of the above documents.

Dated: _____

Redeveloper

Name: _____

Its: _____

OCCUPANCY SUMMARY

Total Number of Restricted Units in the Project:

74

~~Total Restricted Units occupied by Qualified Households:~~ _____

Total Restricted Units available for rent to Qualified Households: _____

ATTACHED IS THE FOLLOWING INFORMATION:

- A. Resident and rental information on each occupied apartment in the complex.
- B. Certification of Tenant Eligibility for all new Qualified Households who have moved into [] since the filing of the last Occupancy Summary. The same are true and correct to the best of the undersigned's knowledge and belief.

Dated: _____

Redeveloper

EXHIBIT H
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Residual Receipts Promissory Note~~

[Attached Behind This Page]

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

The Redevelopment Agency
of the City of Compton
205 S. Willowbrook Avenue
Compton, CA 90220
Attn: Executive Director

APN'S

(Space above for Recorder's Use)
Exempt From Recording Fee Per
Government Code Section 27383

**DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE
FILING (WITH ASSIGNMENT OF RENTS)
SECURING A RESIDUAL RECEIPTS PROMISSORY NOTE
AND OTHER OBLIGATIONS**

[Dated as _____, 2009, for reference purposes only]

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)

This Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) is dated as of _____, 2009, by _____, a _____, whose address is _____ ("Trustor"), to _____

_____ ("Trustee"), for the benefit of The Redevelopment Agency of the City of Compton, a California public agency, whose address is 205 S. Willowbrook Avenue, Compton, CA 90220 ("Beneficiary"), and is executed to secure that certain Residual Receipts Promissory Note of even date herewith, in the principal amount of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000), executed by Trustor in favor of Beneficiary (such Residual Receipts Promissory Note, as it may from time to time be supplemented, amended extended, renewed or otherwise modified), the provisions of which are incorporated in the Trust Deed by this reference.

This Trust Deed is made with respect that certain Disposition and Development Agreement dated June 1, 2009 ("DDA"), for reference purposes only, between the Trustor and the Beneficiary.

Trustor hereby IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION, the following property ("Trust Estate"):

- (a) All of that certain real property in the City of Compton, County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof ("Subject Property");
- (b) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property ("**Improvements**");
- (c) All tenements, hereditament, appurtenances, privileges, franchises and other rights and interests now or in the future benefitting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights ("**Appurtenances**"). (Appurtenances, together with the Subject Property and the Improvements, are hereafter collectively referred to as the "**Real Property**";
- (d) Subject to the assignment to Beneficiary set forth in Paragraph 4 below, all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management operation, leasing or occupancy of the Trust Estate, including those past due and unpaid ("**Rents**");
- (e) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code ("**UCC**")), whether existing now or in the future) located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and

supplies, generators, boilers, furnaces, water tanks, heating, ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property ("**Goods**," and together with the Real Property, collectively the "**Property**"); and

(f) All present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, construction, maintenance, management operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types on intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (collectively, "**Intangibles**").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "**Personal Property**"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the UCC.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following (collectively, the "**Secured Obligations**"): (a) payment of that certain Residual Receipts Promissory Note dated _____, 2009 in the original principal amount of (\$4,125,000) (the "**Agency Note**") and (b) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein,

the Regulatory Agreement, dated _____, 2009, between Trustor and Beneficiary, and in the Disposition and Development Agreement between Trustor and Beneficiary dated June 1, 2009 (the "DDA"), and (c) any and all extensions, amendments, modifications or renewals thereof, however evidenced.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR
COVENANTS AND AGREES:

1. That Trustor shall perform the obligations of the Owner as set forth in the Secured Obligations at the time and in the manner respectively provided therein;

2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed;

3. That the Secured Obligations are incorporated in and made a part of this Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable. This Deed of Trust shall cover, and the property subject hereto shall include, all property now or hereafter affixed or attached to or incorporated upon the Subject Property in, to or under which Trustor now has or hereafter acquires any right, title or interest, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Subject Property. To the extent any of the property subject to this Deed of Trust consists of rights in action or personal property covered by the Uniform Commercial Code, this Deed of Trust shall also constitute a security agreement, and Trustor hereby grants to Beneficiary, as secured party, a security interest in such property, including all proceeds thereof, for the purpose of securing the Secured Obligations. In addition, for the purpose of securing the Secured Obligations, Trustor hereby grants to Beneficiary, as secured party, a security interest in all of the property described herein in, to, or under which Trustor now has or hereafter acquires any right, title or interest, whether present, future or contingent, including, but not limited to, all equipment, inventory, accounts, general intangibles, instruments, documents and chattel paper, as those terms are defined in the Uniform Commercial Code, and all other personal property of any kind (including, without limitation, money and rights to the payment of money), whether now existing or hereafter created, that are now or at any time hereafter (i) in the possession or control of Beneficiary in any capacity; (ii) erected upon, attached to or appurtenant to the Subject Property; (iii) located or used on the Subject Property or identified for use on the Subject Property (whether stored on the Subject Property or elsewhere); or (iv) used in connection with, arising from, related to, or associated with the Subject Property or any of the personal property described herein, the construction of any improvements on the Subject Property, the ownership, development, maintenance, management or operation of the Subject Property, the use or enjoyment of the Subject Property or the operation of any business conducted thereon, including, without limitation, all such property described as the Trust Estate hereinabove. The security interests granted in this paragraph 3 are hereinafter severally and collectively called the "Security Interest". The Security Interest shall be self-operative with respect to the real property described herein but Trustor shall execute and deliver on demand such additional security agreements, financing statements and other instruments as may be requested in order to impose the Security Interest more specifically upon the real and personal property encumbered

hereby. The Security Interest, at all times, shall be prior to any other interest in the personal property encumbered hereby. Trustor shall act and perform as necessary and shall execute and file all security agreements, financing statements, continuation statements and other documents requested by Beneficiary to establish, maintain and continue the perfected Security Interest. Trustor, on demand, shall promptly pay all costs and expenses of filing and recordation, to ensure the continued priority of the Security Interest. Trustor shall not sell, transfer, assign or otherwise dispose of any personal property encumbered hereby without obtaining the prior written consent of Beneficiary, except that the Trustor may, in the ordinary course of business, replace personal property or dispose of personal property that will not be replaced because of its obsolescence. Unless Beneficiary then agrees otherwise in writing, all proceeds from any permitted sale or disposition in excess of that required for full replacement shall be paid to Beneficiary to be applied on the Note. Although proceeds of personal property are covered hereby, this shall not be construed to mean that Beneficiary consents to any sale of such personal property. Upon its recordation in the real property records of Los Angeles County, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. In that regard, the following information is provided:

Name of Debtor:	See the initial paragraph of this Deed of Trust
Address of Debtor:	See the initial paragraph of this Deed of Trust
Name of Secured Party:	The Redevelopment Agency of the City of Compton
Address of Secured Party:	See the initial paragraph of this Deed of Trust

In addition, a carbon, photostatic or other reproduced copy of this Deed of Trust and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement;

4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the Secured Obligations;

5. That upon an Event of Default by Trustor under the DDA, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom;

6. That Trustor will keep the improvements now existing or hereafter erected on the property insured against loss by fire and such other hazards, casualties, and contingencies as may be required by applicable provisions of the Secured Obligations, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. Such policies shall be endorsed with standard mortgage clause with loss payable to the Beneficiary and certificates thereof together with copies of original policies, if requested, shall be deposited with the Beneficiary;

7. To pay before delinquency any taxes and assessments affecting said Property; to pay, when due, all encumbrances, charges and liens, with interest, on said Property or any part

thereof which appear to be prior or superior hereto; and to pay all costs, fees, and expenses of this Trust. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be required to pay and discharge any such tax, assessment charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Section 7;

8. As it is provided more specifically in the Secured Obligations, to keep said property in good condition and repair, subject to ordinary wear and tear, casualty and condemnation, not to remove or demolish any buildings thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon (subject to Trustor's right to contest the validity or applicability of laws or regulations); not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law and/or covenants, conditions and/or restrictions affecting said property; not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon said property without the consent of the Beneficiary;

9. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear;

10. Should Trustor fail, after the giving of notice and the expiration of any applicable cure period, to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Following default, after the giving of notice and the expiration of any applicable cure period, Beneficiary or Trustee being authorized to enter upon said property for such purposes, may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; may pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, may pay necessary expenses, employ counsel, and pay his reasonable fees;

11. Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the sums secured hereby;

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure, at the highest rate of interest permitted by law;

13. That the funds to be advanced hereunder are to be used in accordance with applicable provisions of the DDA and the Secured Obligations; upon the failure of Trustor to do

so, after the giving of notice and the expiration of any applicable cure period, Trustor shall be in default hereunder.

14. Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and/or as provided in the Secured Obligations and further that it will keep and maintain the property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within thirty (30) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request prior to foreclosure) record in the Office of the Recorder of Los Angeles County, a surety bond in the amount required by law to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary;

15. That any and all improvements made or about to be made upon the premises covered by this Deed of Trust and all plans and specifications, comply with all applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

16. Trustor confirms that if Trustor should sell, enter into a contract of sale, convey, or in any way transfer all or any interest of Trustor in the Real Property encumbered by this Deed of Trust or suffer Trustor's title or any interest therein to be divested, whether voluntarily or involuntarily, unless the same is permitted by the DDA, without the prior written consent of the Beneficiary being first obtained, then Beneficiary shall have the right, at Beneficiary's sole option, to declare all sums payable under the Agency Note secured hereby immediately due and payable in full, irrespective of the maturity date otherwise specified in said Agency Note. No waiver of this right shall be effective unless in writing and signed by the Beneficiary. Consent by the Beneficiary to any one such transaction shall not be deemed a waiver of the right to require such consent to future or successive transactions. Further, upon default under one of the Secured Obligations, and after the giving of notice and the expiration of any applicable cure period provided therein, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be immediately due and payable in full, irrespective of the maturity date otherwise specified in said Agency Note.

17. As provided more specifically in the Secured Obligations, should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, and shall be entitled at its option to commence, appear in and prosecute in its own name, any

action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, _____

18. Upon an Event of Default by Trustor under the DDA, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed of Trust and all documents evidencing expenditures secured hereby;

19. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorney's fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the maximum rate allowed by law; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto;

20. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee;

21. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law;

22. Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto";

23. The trust created hereby is irrevocable by Trustor;

24. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "**Beneficiary**" shall include not only the original Beneficiary hereunder but also any future successor in interest to Beneficiary. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several;

25. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee;

26. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at the address set forth in the Deed of Trust.

27. Trustor agrees at any time and from time to time, upon receipt of a written request from Beneficiary, to furnish to Beneficiary detailed statements in writing of income, rents, profits, and operating expenses of the premises, and the names of the occupants and tenants in possession, together with the expiration dates of their leases and full information regarding all rental and occupancy agreements, and the rents provided for by such leases and rental and occupancy agreements, and such other information regarding the premises and their use as may be requested by Beneficiary.

28. Trustor agrees that the obligations secured by this Deed of Trust are made expressly for the purpose of financing the acquisition of the Property, and the rehabilitation and operation of the improvements on the Property, including the 74 dwelling units, which will be maintained as affordable housing for persons and families of very low income and low income, as is more specifically provided in the Secured Obligations.

29. As is provided more specifically in the Agency Note, the obligations of Trustor thereunder shall become non-recourse obligations of the Trustor upon the satisfaction of certain conditions set forth therein, and in such event neither Trustor nor any of its principals, nor any other party, shall have any personal liability for payment of obligations arising from the Secured Obligations, except as specifically provided therein, and the sole recourse of Beneficiary shall be the exercise of its rights against the Property except as otherwise provided in the Secured Obligations and any related security.

30. Notwithstanding specific provisions of this Deed of Trust, non-monetary performance hereunder shall not be deemed to be in default where delays or defaults are due to: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor or supplier; acts of the other party; acts or failure to act of the City, the Agency, or any other public or governmental agency or entity (except that any act or failure to act of Beneficiary shall not excuse performance by Beneficiary unless such act or failure to act is allowed or required by law); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Deed of Trust may also be extended in writing by the Beneficiary and Trustor.

31. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the unsecured portion of such obligations shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the obligations, and all performance and payments made by Trustor shall be considered to have been performed and paid on and applied first to the complete payment of the unsecured portion of the obligations.

32. (a) Subject to the extensions of time set forth in Section 31, and subject to the further provisions of this Section 33, failure or delay by Trustor to perform any term or provision respectively required to be performed under the Secured Obligations or this Deed of Trust constitutes a default under this Deed of Trust.

(b) Beneficiary shall give written notice of default to Trustor, specifying the default complained of by the Beneficiary. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failures or delays by Beneficiary in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

(d) If an event of default occurs under the terms of this Deed of Trust, prior to exercising any remedies hereunder or thereunder, Beneficiary shall give Trustor and Trustor's limited partners written notice of such default. Trustor shall have a reasonable period of time after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under this Deed of Trust. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within thirty (30) days after the notice of default is first given.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

TRUSTOR:

COMPTON SENIOR APARTMENTS, L.P., a
California limited partnership

By: _____
Its: General Partner

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

On _____, before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

On _____, before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

EXHIBIT A TO
DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)

Legal Description of Subject Property

PARCEL 1:

LOTS 7 AND 8 IN BLOCK 7 OF WRIGHTS ADDITION TO COMPTON, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7 PAGE 55, MISCELLANEOUS RECORDS OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY 25 FEET OF ARBUTUS STREET, VACATED, ADJOINING SAID LAND ON THE NORTH AND BOUNDED ON THE EAST BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8.

EXCEPTING ALL OIL HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED IN THE DEED RECORDED ON APRIL 29, 1988 AS INSTRUMENT NO. 88-591501 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2:

LOTS 1 THROUGH 6 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 3:

LOTS 7 THROUGH 13 INCLUSIVE, IN BLOCK "L" OF TRACT 3765, IN THE CITY OF COMPTON, AS PER MAP RECORDED IN BOOK 41 PAGES 88 AND 89 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

EXHIBIT I
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Financing Plan~~

[Attached Behind This Page]

FINANCING PLAN

1. SUMMARY OF PROJECT FUNDING SOURCES AND DEFINITIONS

1.1 In General. The acquisition of the Property and construction of the Project are intended to be financed as provided in this Financing Plan and Article 4 of the Agreement. (The acquisition of the Property and the construction of the Project are collectively referred to in this Exhibit "I" as the "Project.")

1.2 Definitions. References to "**Exhibits**" mean the Exhibits to the Agreement, unless otherwise specified. All defined terms indicated by initial capitalization in this Financing Plan and not expressly defined in this Financing Plan shall have the meanings ascribed to the same terms in the Agreement and the Exhibits.

1.2.1 **Actual Project Costs.** The actual aggregate cost amount in each of the categories of expenses for the Project set forth in Exhibits "J-1 through J-3" - Project Budget and all other costs related to the Project that are incurred by the Redeveloper as of the date of issuance of a final Certificate of Occupancy for the entire Project by the City.

1.2.2 **Affiliate** of a specified Person means (i) any Person owning or controlling 25% or more of the outstanding voting securities or beneficial interests of the Person specified, (ii) any Person who is a holder of 25% or more of the outstanding voting securities or beneficial interests of any Person described in clause (i). The term "**control**" (including the term "**controlled by**" and "**under common control with**") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

1.2.3 **Agency Loan.** A loan from the Agency to the Redeveloper in an amount not to exceed of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000) evidenced by the Note and secured by the Deed of Trust.

1.2.4 **Closing Tax Credit Equity Installment.** An installment of Tax Credit Equity in the amount of approximately Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000) paid or loaned by the Tax Credit Investor to the Redeveloper on or before the Close of Escrow.

1.2.5 **Commencement of Construction.** The first date on which both of the following events have occurred: (a) the City has issued building permits for Construction of the Project; and (b) the Construction Loan transaction has closed.

1.2.6 **Construction Loan.** One or more loans that Redeveloper shall obtain from one or more Institutional Lenders, the proceeds of which are to be used and applied to pay the reasonable costs of obtaining such loan(s) and either: (a) the excess of the Total Project Costs over the sum of the Redeveloper Fee, the Agency Loan and the Closing Tax Credit Equity Installment; or (b) to refinance only the outstanding amount owed under a prior loan obtained by Redeveloper to finance the amount described in "(a)" of this Section 1.2.6 (without any other amounts). Such loan(s) shall provide for normal and customary disbursement controls for the

payment of Total Project Costs and normal and customary fees and expenses for loan(s) of similar size and purpose.

1.2.7 Deferred Redeveloper Fee. Defined in Section 1.1.26.

1.2.8 Redeveloper Fee. An aggregate amount not to exceed Two Million Dollars (\$2,000,000.00), inclusive of both the Initial Redeveloper Fee and the Deferred Redeveloper Fee, if any.

1.2.10 Institutional Lender. Any of the following: (a) a bank (State, Federal or foreign), trust company (in its individual or trust capacity), insurance company, credit union, savings bank (State or Federal), pension, welfare or retirement fund or system, real estate investment trust (or an umbrella partnership or other entity of which a real estate investment trust is the majority owner), Federal or State agency regularly making or guaranteeing mortgage loans, investment bank or a subsidiary of a Fortune 500 company (such as AT&T Capital Corporation or General Electric Capital Corporation); or (b) any Person that is an Affiliate of or is a combination of any one or more of the Persons described in "(a)" of this Section 1.2.10.

1.2.11 Permanent Loan. A loan from a Permitted Lender to the Redeveloper that will be used solely in combination with proceeds of the Tax Credit Equity not previously advanced to completely pay-off the Construction Loan, including the reasonable costs of obtaining the loan and any reasonable and customary fees or charges relating to pay-off of the Construction Loan.

1.2.12 Tax Credits. An allocation from TCAC of nine percent (9%) federal low income housing tax credits in an amount of approximately Nineteen Million Eight Hundred Forty-Five Thousand Dollars (\$19,845,000) to finance a portion of the Total Project Costs, all in accordance with Section 42 of the Internal Revenue Code of 1986, as amended, all associated Internal Revenue Service regulations and all associated TCAC regulations

1.2.13 Tax Credit Equity. The amount of approximately Fourteen Million Seven Hundred Ninety-Four Thousand Dollars (\$14,794,000) to be paid by the Tax Credit Investor to the Redeveloper to obtain the Tax Credits.

1.2.14 Tax Credit Investor. The Person that provides the Tax Credit Equity. The Tax Credit Investor shall be subject to the reasonable approval of Agency.

2. PROJECT FUNDING

2.1 Construction Loan. Redeveloper shall obtain the Construction Loan such that when the available proceeds of the Construction Loan are combined with the Closing Tax Credit Equity Installment, the Redeveloper Fee and the available proceeds of the Agency Loan, the Redeveloper will have sufficient funds to pay all of the Total Project Costs. The proceeds of the Construction Loan shall be used solely to pay Total Project Costs.

2.2 Tax Credit Equity Funding. The Closing Tax Credit Equity Installment shall be funded to the Redeveloper by the Tax Credit Investor on or before the Close of Escrow. The

remaining balance of the Tax Credit Equity shall be funded to the Redeveloper by the Tax Credit Investor one month from the receipt of the IRS Form 8609 by the Redeveloper.

2.3 Application for Tax Credit Financing. To provide funds for the Construction of the Project, Redeveloper shall apply for pursuant to Article 4.3 of the Agreement and obtain an allocation of the Tax Credits for conversion to the Tax Credit Equity to finance a portion of the Total Project Costs.

2.4 Redeveloper Fee. The Redeveloper shall be entitled to receive the Redeveloper Fee for its services related to development of the Project. An amount not to exceed Two Million Dollars (\$2,000,000) may be paid to Redeveloper during construction at such times and in such amounts as may be approved by Tax Credit Investor and Construction Lender (but solely from the proceeds of the Construction Loan or tax credit equity described in Sections 1.2.6 and 1.2.13 hereof) and otherwise shall be paid from net operating income from the completed Project (except as otherwise specifically provided in Section 3 of this Financing Plan) prior to repayment of the Agency Loan ("**Deferred Redeveloper Fee**").

2.5 Agency Loan. Subject to the terms and conditions of the Agreement, Agency shall disburse to or for the benefit of Redeveloper an amount not to exceed the original principal amount of the Agency Loan. As an inducement to Agency to make the Agency Loan, Redeveloper has agreed to enter into the Agreement and has agreed to the performance of the terms and conditions set forth in the Agreement. Redeveloper shall use the Agency Loan to pay a portion of the Total Project Costs. Redeveloper shall not be entitled to use any portion of the Agency Loan to reimburse itself for any internal management, administrative or overhead expenses or for any purpose other than paying a portion of the Total Project Costs.

2.6 Conditions Precedent to Disbursement of Agency Loan. The disbursement of the Agency Loan shall be subject to satisfaction of the Agency Conditions under Section 3.3.2 of the DDA.

2.7 Disbursement of Agency Loan. Following satisfaction of all of the conditions precedent to disbursement of the Agency Loan under Section 2.6 of this Financing Plan, Agency shall disburse the Agency Loan as follows:

2.7.1 Agency shall convey the Property to the Redeveloper at the Close of Escrow subject to the Deed of Trust securing the Agency Loan; and

2.7.2 Agency shall disburse an amount not to exceed One Million One-Hundred Twenty-Five Thousand Dollars (\$1,125,000.00), being the remaining principal of the Agency Loan after deduction of the \$3,000,000.00 of principal disbursed to pay the Purchase Price at the Close of Escrow, to the Redeveloper at the Close of Escrow, to reimburse the Redeveloper for a portion of the Total Project Costs.

2.8 Repayment of Agency Loan. Redeveloper shall repay the Agency Loan pursuant to the terms and conditions of the Note. The Note shall be secured by the Deed of Trust. The Deed of Trust shall only be subordinate in lien priority regarding the Property to statutory liens, the lien securing the Construction Loan and, subsequently, the lien securing the Permanent Loan.

2.9 No Other Agency Financial Assistance. Agency shall be under no obligation to contribute any other financial assistance to the acquisition, Construction or operation of the Project other than the Agency Loan, regardless of Actual Project Costs.

~~2.10~~ Permanent Loan. Upon completion of the Construction of the Project, the Permanent Loan shall be obtained from the Institutional Lender that provides the original Permanent Loan commitment or from another Institutional Lender reasonably acceptable to Agency. The proceeds of the Permanent Loan, together with a portion of the Tax Credit Equity proceeds that have not been previously disbursed to Redeveloper, shall be used to completely and timely pay-off the Construction Loan.

3. COST REDUCTIONS OR INCREASES; ADDITIONAL FINANCING SOURCES.

The Parties acknowledge and agree that the Agency Loan is intended to partially finance the financing "gap" of the Project (the amount needed to pay the excess of the Total Project Costs over the financing and other funding sources available to the Redeveloper for acquisition or Construction of the Project), but in no event to provide funding (when combined with all other sources of financing and other funding sources available to the Redeveloper for acquisition or Construction of the Project) in excess of the Total Project Costs. If the Actual Project Costs are less than the Total Project Costs (the difference between the Actual Project Costs and the Total Project Costs being a "**Cost Reduction**"), then the Cost Reduction shall first be applied to reduce the Deferred Redeveloper Fee, then to reduce the principal amount of the Agency Loan. If the Actual Project Costs exceed the sum of all financing and other funding sources available to the Redeveloper for acquisition or Construction of the Project (the difference being a "**Project Deficit**"), the Redeveloper shall be solely responsible for paying the Project Deficit. If the Actual Project Costs are less than the sum of the financing and other funding sources available to Redeveloper for acquisition or Construction of the Project (the difference being a "**Project Surplus**"), then the Project Surplus shall first be applied to pay the Deferred Redeveloper Fee, then to reduce or repay the principal amount of the Agency Loan. Notwithstanding any other provision of this Section 3, if the Redeveloper or the Project receives an award of Affordable Housing Program funds ("**AHP Funds**"), these AHP Funds shall first be applied to pay any remaining Project Deficit and then to reduce or repay the principal amount of the Agency Loan.

4. REDEVELOPER RESPONSIBILITY FOR PROJECT COSTS. The Redeveloper acknowledges that the Actual Project Costs may exceed the Total Project Costs or the financing or other funding sources available to the Redeveloper for acquisition or Construction of the Project. Redeveloper additionally acknowledges that the financing or other funding sources available to Redeveloper for acquisition or Construction of the Project may be different in type or amount from those set forth in this Financing Plan. Accordingly, Redeveloper acknowledges and agrees that Redeveloper shall be responsible for paying all of the Actual Project Costs, whether or not the Actual Project Costs exceed the financing or other funding sources available to the Redeveloper for acquisition or Construction of the Project.

EXHIBITS J-1 THROUGH J-3
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Project Budget~~

[Attached Behind This Page]

Total Square Footage:	53,241
Total Number of Units:	75
Average Square Feet per Unit:	603

		Total Cost	Cost Per Unit	Cost Per Sq. Ft.	% of Total Budget	Eligible Basis
LAND COST						
Acquisition		\$ 3,000,000	\$ 40,000	56.35	13.62%	
Holding Cost/Real Estate Taxes/Liens & Fees		\$ -	\$ -	-	0.00%	
Finance Cost		\$ -	\$ -	-	0.00%	
Buyer Closing Cost		\$ 25,000	\$ 333	0.47	0.11%	
TOTAL LAND COST		\$ 3,025,000	\$ 40,333	56.82	13.74%	
*DIRECT CONSTRUCTION COST						
Building		\$ 9,380,999	\$ 125,080	176.20	42.60%	\$ 9,380,999
Gen Cond/Overhead/Profit		\$ 1,378,482	\$ 18,380	25.89	6.26%	\$ 1,378,482
On-Site (Demo/Sitework)		\$ 350,000	\$ 4,667	6.57	1.59%	\$ -
Off-Site		\$ 250,000	\$ 3,333	4.70	1.14%	\$ -
Subtotal Direct Const.Cost		\$ 11,359,481	\$ 151,460	213.36	51.58%	\$ 10,759,481
Contingency		\$ 841,859	\$ 11,225	15.81	3.82%	\$ 841,859
TOTAL CONSTRUCTION		\$ 12,201,340	\$ 162,685	229.17	55.40%	\$ 11,601,340
SOFT COSTS						
Appraisal		\$ 10,000	\$ 133	0.19	0.05%	\$ 10,000
Arch., Structural, MEP, Landscape	6.0%	\$ 732,080	\$ 9,761	13.75	3.32%	\$ 732,080
Reimbursable/Reproductions		\$ 30,000	\$ 400	0.56	0.14%	\$ 30,000
Civil, Survey & Soil Engineers	2.0%	\$ 244,027	\$ 3,254	4.58	1.11%	\$ 244,027
Construction Manager		\$ 250,000	\$ 3,333	4.70	1.14%	\$ 250,000
Entitlements		\$ 250,000	\$ 3,333	4.70	1.14%	\$ 250,000
Environ & Soils Reports		\$ 25,000	\$ 333	0.47	0.11%	\$ 25,000
Escrow/Title		\$ 40,000	\$ 533	0.75	0.18%	\$ 40,000
Furnishings		\$ 20,000	\$ 267	0.38	0.09%	\$ 20,000
Insurance		\$ 61,007	\$ 813	1.15	0.28%	\$ 61,007
Legal		\$ 130,000	\$ 1,733	2.44	0.59%	\$ 78,000
Marketing/Lease Up		\$ 45,000	\$ 600	0.85	0.20%	\$ -
Market Study		\$ 6,000	\$ 80	0.11	0.03%	\$ 6,000
Permits/Fees		\$ 1,125,000	\$ 15,000	21.13	5.11%	\$ 1,125,000
Real Estate Taxes		\$ 15,000	\$ 200	0.28	0.07%	\$ 15,000
Relocation		\$ -	\$ -	-	0.00%	\$ -
Security		\$ -	\$ -	-	0.00%	\$ -
Tax Credit Fee		\$ 103,798	\$ 1,384	1.95	0.47%	\$ -
HACOLA Fees		\$ -	\$ -	-	0.00%	\$ -
Capitalized Operating Reserve		\$ 132,639	\$ 1,769	2.49	0.60%	\$ -
Capitalized Replacement Reserve	0.0%	\$ -	\$ -	-	0.00%	\$ -
Capitalized Rent Reserve		\$ -	\$ -	-	0.00%	\$ -
Misc. (Organization, Accounting, etc.)		\$ 100,000	\$ 1,333	1.88	0.45%	\$ 100,000
Subtotal Direct Const.Cost		\$ 3,319,551	\$ 44,261	62.35	15.07%	\$ 2,986,114
Soft Cost Contingency	7.0%	\$ 232,369	\$ 3,098	4.36	1.06%	\$ 232,369
TOTAL INDIRECT CONST.		\$ 3,551,919	\$ 47,359	66.71	16.13%	\$ 3,218,482
FINANCING						

Const. Loan Points	\$ 135,000	\$ 1,800	2.54	0.61%	\$ 135,000
Const. Lender Reports and Costs	\$ 15,000	\$ 200	0.28	0.07%	\$ 15,000
Const. Lender Legal	\$ 35,000	\$ 467	0.66	0.16%	\$ 35,000
Const. Loan Interest	\$ 1,012,500	\$ 13,500	19.02	4.60%	\$ 556,875
Permanent Loan Points & Fees	\$ 26,415	\$ 352	0.50	0.12%	\$ -
Perm. Lender Reports and Costs	\$ 5,000	\$ 67	0.09	0.02%	\$ -
Permanent Lender Legal	\$ 15,000	\$ 200	0.28	0.07%	\$ -
Issuance Costs	\$ -	\$ -	-	0.00%	\$ -
TOTAL FINANCING	\$ 1,243,915	\$ 16,586	23.36	5.65%	\$ 741,875
DEVELOPMENT FEE	\$ 2,000,000	\$ 26,667	37.56	9.08%	\$ 1,400,000
TOTAL PROJECT COST	\$ 22,022,174	\$ 293,629	\$ 414	100%	\$ 16,961,697

CONSTRUCTION COST

		Amount
Concrete/Foundation Footings		
Sitework		
Demolition	\$ -	
Other	\$ 350,000	
Total Cost - Sitework		\$ 350,000
Building Area Livable		
Square Footage	45,255	
Cost/Square Foot	\$ 138	
Prevailing Wage Factor	20%	
Total Cost - Livable		\$ 7,494,228
Common Areas		
Square Footage	7,986	
Cost/Square Foot	\$ 138	
Prevailing Wage Factor	20%	
Total Cost - Common		\$ 1,322,511
Parking Structure		
Sub Parking Structure (sq. ft.)	-	
Cost per sq. ft.	\$ 75.00	
On Grade Parking Structure (sq. ft.)	-	
Cost per space	\$ 40.00	
Non Covered Parking (sq. ft.)	21,263	
Cost per space	\$ 15.00	
Total Cost - Parking Structure		\$ 318,938
Equipment		
Refrigerators	\$ 500	\$ 37,500
Microwaves	\$ 125	\$ 9,375
Dishwashers	\$ 350	\$ 26,250
Washer/Dryers	\$ -	\$ -
Stoves	\$ 500	\$ 37,500
Total Equipment		\$ 110,625
Offsites		\$ 250,000
		\$ 9,846,301
Overhead & Profit		\$ 590,778
General Conditions		\$ 787,704
		\$ 11,224,784
Contingency	7.50%	\$ 841,859
P&P Bonds	1.20%	\$ 134,697

Override

6.0%
8.0%

	Per Unit	Per Unit W/ Contingency
Total Construction Costs	\$ 12,201,340	\$ 151,460
		\$ 162,685

SOURCES OF FUNDS

CONSTRUCTION

Land	\$	3,000,000
Acquisition Costs	\$	25,000
Architecture/Engineering	\$	1,006,107
Impact Fees	\$	1,125,000
Const. Loan Interest	\$	1,012,500
Other Soft Costs	\$	1,652,227
Offsites	\$	250,000
Hard Costs	\$	11,951,340
Dev. Fee	\$	2,000,000
TOTAL USES	\$	22,022,174

PERMANENT

Land	\$	3,000,000
Acquisition Costs	\$	25,000
Architecture/Engineering	\$	1,006,107
Impact Fees	\$	1,125,000
Const. Loan Interest	\$	1,012,500
Other Soft Costs	\$	1,652,227
Offsites	\$	250,000
Hard Costs	\$	11,951,340
Dev. Fee	\$	2,000,000
TOTAL USES	\$	22,022,174

CONSTRUCTION

1st Construction Loan		\$	13,500,000
City of Compton	100%	\$	4,125,000
Tax Credit Equity	20%	\$	2,958,731
Deferred Costs		\$	1,438,443

TOTAL SOURCES

\$	22,022,174
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PERMANENT

Perm Loan	\$	2,591,516
City of Compton	\$	4,125,000
Tax Credit Equity	\$	14,793,653
Deferred Dev. Fee	\$	512,005
Gap Amount	\$	-

TOTAL SOURCES

\$	22,022,174
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EXHIBIT K
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

Completion Guarantee

[Attached Behind This Page]

Completion Guarantee

This GUARANTY AGREEMENT (the "Guaranty") is made and entered into as of _____, by META HOUSING CORPORATION, a California corporation ("Guarantor") in favor of the ~~REDEVELOPMENT AGENCY OF THE CITY OF~~ COMPTON, a public body corporate and politic ("Agency").

WHEREAS, the Agency and Compton Senior Apartments, L.P., a California limited partnership ("Redeveloper") have entered into that certain Disposition and Development Agreement ("DDA") dated as of June 1, 2009 under which Redeveloper has agreed to construct a 75 unit affordable housing project, as more specifically defined in the DDA ("Project").

NOW, THEREFORE, for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Guarantor hereby covenants and agrees as follows:

1. Guarantor hereby unconditionally guarantees that Redeveloper shall construct and complete the Project in accordance with the DDA on or before the completion date specified in the Schedule of Performance attached to the DDA (subject to applicable notice, cure and extensions as contained in the DDA and shall pay all costs and expenses with respect to the construction and completion of the Project.

2. If Redeveloper does not perform as specified in Section 1 hereof, Guarantor unconditionally and irrevocably covenants and agrees that Guarantor shall construct and complete the Project on or before the times required by, and otherwise in accordance with, the DDA and pay all costs and expenses and discharge all liabilities, with respect to such construction and completion. Guarantor's obligations hereunder shall be subject to Authority's unconditional and irrevocable agreement to make the undisbursed Loan funds available to Guarantor (pursuant to the terms and conditions of the Loan Documents) for the purposes of completing construction and fulfilling Guarantor's other obligations under this Guaranty.

3. This Guaranty shall remain in full force and effect until such time as a Certificate of Completion (as defined in the DDA) has been issued by the Agency for the Project.

4. In the event Redeveloper does not perform its obligations set forth in Section 1 of the Guaranty on or prior to the time such performance (or any portion thereof) is required, Agency may, at its option, proceed to enforce this Guaranty against Guarantor in the first instance without first proceeding against Redeveloper or any other person and without first resorting to any security held by or on behalf of Agency as security or to any other remedies, and the liability of Guarantor hereunder shall be in no manner affected or impaired by any failure, delay, neglect, omission or election by Agency not to realize upon or pursue any persons or security liable for obligations of Redeveloper under the DDA.

5. Agency, from time to time and before or after any events of default by Redeveloper under the DDA and with or without further notice to or assent from Guarantor and without in any manner affecting the liability of Guarantor and upon such terms and conditions as it may deem advisable, may: (a) extend in whole or in part (by renewal or otherwise), modify,

accelerate, change or release (or consent to any of the foregoing) any other agreements, documents or instruments in any way related to the obligations hereby guaranteed and any other indebtedness, liability or obligation of Redeveloper or of any other person secondarily or otherwise liable for any such indebtedness, liability or obligation of Redeveloper, or waive any default with respect thereto; (b) sell, release, surrender, modify, impair, exchange, substitute or extend any and all security at any time held by Agency as security for the payment or performance of the obligations of Redeveloper under the DDA and any other indebtedness, liability or obligation of Redeveloper to Agency; and (c) settle, adjust or compromise any claim of Agency against Redeveloper or any other person secondarily or otherwise liable (including, but not limited to, Guarantor) for the obligations of Redeveloper under the DDA or any other indebtedness, liability or obligation of Redeveloper. Guarantor hereby ratifies and confirms any such extension, renewal, change, release, waiver, surrender, exchange, modification, impairment, substitution, settlement, adjustment, compromise or consent and agrees that the same shall be binding upon Guarantor, and Guarantor hereby expressly waives any and all defenses, counterclaims or offsets which Guarantor might or could have by reason thereof, it being understood that Guarantor shall at all times be bound by this Guaranty and remain liable to Agency hereunder until all of the obligations hereunder shall have been performed in full. Guarantor agrees that its obligations hereunder shall not be discharged, limited or otherwise affected by any circumstances which otherwise would constitute a legal or equitable discharge of Guarantor as surety or guarantor.

6. Agency may without the consent of Guarantor at any time and from time to time: (a) amend any provisions of the DDA, and any other agreements, instruments or documents relating in any way to the obligations hereby guaranteed and any change in the obligations to be performed thereunder; (b) make any agreement with Redeveloper for the extension, renewal, modification, payment, compounding, compromise, discharge, exchange, settlement, waiver or release of any provision of the DDA, and any other agreements, documents or instruments relating in any way to the obligations hereby guaranteed, or of any person liable for or any security for the performance of any of the obligations hereby guaranteed, without notice to or the consent of Guarantor; and (c) without limiting the generality of the foregoing, surrender to Redeveloper, or to deal with or modify the form of, any security which Agency may at any time hold or which is held on its behalf to secure the performance of any obligation hereby guaranteed, and the obligations herein undertaken by Guarantor shall not be impaired or affected by any of the foregoing but shall include any other obligations thereby undertaken by the Redeveloper.

7. (a) Guarantor hereby waives all requirements that Agency shall institute any action or proceedings at law or in equity against Redeveloper or anyone else or with respect to any security held by Agency as a condition precedent to bringing an action against Guarantor upon this Guaranty, and Guarantor further agrees to make and perform its obligations hereunder whether or not any one or more of the following events have occurred: (a) Agency have made any demand on Redeveloper; (b) Agency have taken any action of any nature against or has pursued any rights which Agency have against any other person, partnership, corporation, association, company or entity who may be liable for performance of the obligations with respect to the completion of the Project; (c) Agency holds or has resorted to any security for the obligations of Redeveloper under the DDA or any other liabilities or obligations hereby guaranteed; or (d) Agency has invoked any other remedies or rights Agency has available with

respect to the obligations of Redeveloper under the DDA or the liabilities or obligations hereby guaranteed.

(b) Guarantor shall not be released by any act or thing which might, but for this provision of this Guaranty, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, extension, modification, forbearance or delay of Agency or its failure to proceed promptly or otherwise in the enforcement of the DDA or any other agreement, document or instrument relating in any way to the obligations hereby guaranteed, and Guarantor hereby expressly waives and surrenders any defense to their liability under this Guaranty based upon any of the foregoing acts, things, agreements or waivers, including without limitation, any benefits it may have under California Civil Code § 2815 (or any similar law in any jurisdiction).

8. Guarantor hereby waives presentment for payment, demand, protest, notice of protest and of dishonor, notice of acceptance hereof, notices of default and all other notices now or hereafter provided by law.

9. Guarantor hereby agrees that this instrument contains the entire agreement between the parties and there is and can be no other oral or written agreement or understanding whereby the provisions of this instrument have been or can be affected, varied, waived or modified in any manner unless the same be set forth in writing and signed by Agency, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10. This Guaranty is and shall be deemed to be a contract entered into under and pursuant to the laws of the State of California without regard to the choice of law principles thereof.

11. Guarantor shall not, by reason of the performance of the terms and provisions of this Guaranty, succeed to or be subrogated to the rights and privileges of Agency against Redeveloper or any other party or be deemed to be the successor or assign of either Agency, unless and until each and every indebtedness, liability and obligation of any kind of Redeveloper to Agency shall have been performed and discharged. In addition and without the foregoing or any other waiver herein, Guarantor hereby waives, in accordance with California Civil Code § 2856(a)(1), if applicable, all rights, benefits and defenses including, without limitation, all rights of subrogation, reimbursement, indemnification and contribution, under California Civil Code §§ 2787 to 2855, inclusive, 2899 and 3433, and under, or based upon, directly or indirectly, California Code of Civil Procedure §§ 580a, 580b, 580d and 726, if applicable (or any similar law in any other jurisdiction) and no other provision of this Guaranty shall be constructed as the limiting the generality of any covenants and waivers set forth in this Section 15.

12. No delay on the part of Agency in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of such rights. All of the rights, powers and remedies hereunder and under any other agreement entered into between Guarantor and Agency, shall be cumulative and not alternative, and such rights, powers and remedies shall be in addition to all of such Agency's rights, powers and remedies provided by law.

13. Guarantor agrees to pay all costs and expenses which may be incurred by Agency, their successors and assigns, in the enforcement of this Guaranty or otherwise relating to this Guaranty, including, but not limited to, reasonable attorneys' fees.

~~14. This Guaranty shall not be deemed to affect, limit, modify or otherwise have any~~
impact or effect upon, or be affected, limited or modified by, any other agreement of guaranty or suretyship given by Guarantor with respect to the DDA. Notwithstanding anything to the contrary herein contained, this Guaranty shall be deemed supplemental to, and not in derogation of, any such agreement of guaranty or suretyship or any other instrument now or hereafter executed by Guarantor in favor of Agency.

15. In case any one or more of the provisions of this Guaranty shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions shall be in no way affected, prejudiced or disturbed thereby.

16. In the event any party is added to become an additional guarantor under this Guaranty, all obligations of Guarantor hereunder shall be joint and several with any such other party or parties, and, under such circumstances, all references to Guarantor herein shall thereafter be deemed to refer to each of such parties comprising Guarantor both individually and collectively with the other such party or parties.

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the day and year first above written.

GUARANTOR:

META HOUSING CORPORATION,
a California corporation

Dated: _____

By: _____
Its: _____

Dated: _____

By: _____
Its: _____

EXHIBIT L
TO
DISPOSITION AND DEVELOPMENT AGREEMENT

~~Exclusive Negotiation Agreement~~

[Attached Behind This Page]

EXCLUSIVE NEGOTIATION AGREEMENT
THE COMMUNITY REDEVELOPMENT AGENCY
And
META HOUSING CORPORATION

COMPTON REDEVELOPMENT PROJECT AREA

THIS EXCLUSIVE NEGOTIATION AGREEMENT is entered into by and between the **COMMUNITY REDEVELOPMENT AGENCY**, a public body, corporate and politic, (hereinafter referred to as the **Agency**) and **META HOUSING CORPORATION** (hereinafter referred to as the **Redeveloper**) for a period not to exceed one hundred and twenty (120) days, commencing on the date of the execution of this Agreement.

I. [100] EXCLUSIVE NEGOTIATIONS

[101] Good Faith Negotiations

The **Agency** and the **Redeveloper** agree to negotiate and to prepare for public hearing by the **Agency**, as soon as possible within the terms of this Exclusive Negotiation Agreement (hereinafter referred to as the **"Agreement"**), a Disposition and Development Agreement (hereinafter referred to as the **"DDA"**), providing for the sale of various properties located 6166-010-901, 6166-010-902, 6166-010-903 and 6166-010-904 between Tamarind Avenue and Arbutus Avenue, Compton, California, to the **Redeveloper** for the purpose of building 75 affordable rental units for senior citizens.

[102] Exclusive Right

The **Agency** agrees it will not negotiate during the term of this Agreement with any other developer, person, or entity for the disposition, redevelopment, or development of the Site. **Agency** agrees that it will not encumber, sell, exchange, assign, lease or otherwise transfer the Site or any portion thereof, or any interest therein, or enter into any agreement regarding the development, redevelopment or disposition of the Site or take any action inconsistent with the Agreement during the negotiation period.

[103] Deposit

Redeveloper shall submit to the **Agency** a good faith deposit (Deposit) in the amount of **TWENTY-FIVE THOUSAND DOLLARS (\$25,000)** upon execution of this Agreement. Except as expressly set forth herein, the full amount of the Deposit shall be fully refundable to Purchaser until the earliest to occur of (i) a default by the **Agency** pursuant to this Agreement, (ii) a mutual termination of this Agreement, and (iii) execution of the DDA.

The Deposit shall be in the form of a cashier's or certified check payable to the Community Redevelopment Agency. The Deposit is made to ensure that the **Redeveloper** will negotiate in good faith. Upon approval of a DDA the Deposit will applied by the **Agency** to reimburse the **Agency** for all such out-of-pocket expense as the **Agency** may incur during the period this Agreement remains in effect for legal or consulting services (financial, relocation, appraisal services, and title reports) in connection with the proposed development of the Site.

The **Redeveloper** agrees and acknowledges that, upon execution of the DDA, the **Agency** is authorized to expend any or all of the Deposit pursuant to this Section 103 without the necessity of further approval or consent by the **Redeveloper**.

In the event that Redeveloper fails to deliver the Deposit to Escrow Holder concurrently with the approval of this Agreement by the Agency, this Agreement shall terminate and Redeveloper shall thereafter have no further rights under this Agreement, and no right to any extension to deliver said Deposit.

The Redeveloper agrees that in the event this Agreement is terminated by the Agency as the result of Redeveloper's default, the Deposit and any interest earned shall be released by Escrow Holder to the Agency as liquidated damages and both parties shall be released from all further obligations under this Agreement. The Agency hereby acknowledges that in the event of termination due to Redeveloper's default, the Agency will sustain damages which are impractical or extremely difficult to demonstrate and agrees and acknowledges that the Deposit, together with any interest earned thereon, represents a reasonable amount as liquidated damages.

Without limiting the foregoing, in the event the Redeveloper has negotiated in good faith but this Agreement is nevertheless terminated or expires, the Redeveloper and the Agency agrees that the Deposit shall be released to the Redeveloper.

II. [200] REQUIREMENTS FROM AGENCY AND REDEVELOPER

Within sixty (60) days from the date of the execution and approval of this Agreement by the Agency, Redeveloper shall submit to the Agency a narrative description of the general scope of the development proposed (the "Development Concept"). The Development Concept should include:

1. A detailed statement of land use;
2. Provide time frame for conducting due diligence, including studying all past studies conducted on the site, as well as further testing;
3. The proposed source and method of financing;
4. The Redeveloper's estimated equity financing; and
5. A letter of interest from a financial institution to provide construction financing if Redeveloper proposes to use third party construction financing.

Within ten (10) days after the date the Parties execute this Agreement, the Agency and shall deliver to Redeveloper the following documents to the extent such documents are in the Agency's possession:

1. A current ALTA extended-coverage Preliminary Title Report issued by First American Title Insurance Company, together with full and legible copies of the documents referred to therein;
2. A current ALTA survey sufficient for the issuance of an ALTA extended-coverage Owner's Policy of Title Insurance;

3. Copies of all reports, contracts, drawings, agreements, plans, specifications, warranties and other documents in the Agency possession concerning the construction, operation, service, management or condition of the Property or any portion thereof (collectively the "Property Documents") including, without limitation, its structural, mechanical, electrical, plumbing, HVAC, elevator and safety systems, and all access and parking arrangements affecting the Property;

4. Copies of all soils, environmental audits, structural, mechanical or engineering reports, and all appraisals of the Property;

5. Copies of all leases, licenses and other occupancy agreements relating to the Property;

6. Copies of any note(s) and deed(s) of trust affecting the Property;

7. Any other documents and information reasonably requested by Redeveloper.

The Agency hereby acknowledges and agrees that all plans, reports, studies, prepared, produced, designed or commissioned by Redeveloper or its affiliates during the negotiation period with respect to the Property, including, without limitation, any designs, drawings, blue prints, tracings, sketches, plans, layouts, specifications, models, programs, guides, notes and any and all other memoranda shall be and remain the exclusive property of Redeveloper or any of its affiliates, successors, or assignees, as the case may be. Upon the termination of this Agreement, all originals, copies and reprints of such material in the Agency's possession, custody or control shall, at Redeveloper's sole option, either (i) be promptly surrendered and/or delivered to Redeveloper, and the Agency shall thereafter make no further use, either directly or indirectly, of any such material, or (ii) be purchased by the Agency for a purchase price equal to the amount of all third party costs and expenses incurred by Redeveloper or its affiliates in connection with preparation and production of such materials.

During the negotiation period Developer shall have the exclusive right to enter upon the Property at all reasonable times and in a reasonable manner for the purpose of making surveys, engineering studies, environmental investigations, economic studies, inspections or for any other purpose (the "Investigations"). Redeveloper's Investigations may include, without limitation, investigation of title to the Property, a survey of the Property, investigation of the physical status of the Property (including, without limitation, the environmental condition), the geologic condition of the Property, entitlements granted to the Property, litigation and bankruptcy searches of the Partnership and/or the Property, and the availability of financing selected by Redeveloper for the acquisition, development, and operation of the Property.

III. [300] DESCRIPTION OF THE SITE

The Site encompasses approximately 76,938 sq. ft. of public owned land situated in the Compton Redevelopment Project Area, as outlined in attached Exhibit A, Map of the Site, and more particularly described as follows:

Assessor's Parcel Number (APN) #6166-010-901, 902, 903, 904

IV. [400] TERMINATION

A. In the event that the Redeveloper fails to take any action required herein by the time specified, the Agency shall, at its option, have the right to terminate this Agreement upon written notice to Redeveloper; provided however, if within ten (10) days of the date of Redeveloper's receipt of such notice of termination from the Agency, Redeveloper performs such unperformed obligations of Redeveloper, the notice of termination issued by the City shall be of no further force and effect and this Agreement shall continue in accordance with its terms. In the event that Redeveloper shall fail to perform such obligation within such ten (10) days period, this Agreement shall terminate and shall be of no further force and effect.

B. Notwithstanding any provision of this Agreement to the contrary, and in addition to its right to terminate this Agreement forthwith in the event the Redeveloper fails to take any action required herein by the time specified, the Agency shall, at its option, terminate this Agreement in the event it determines that the Redeveloper is failing to proceed in good faith to discharge its obligations under this Agreement; provided that prior to terminating this Agreement on grounds that the Redeveloper is not proceeding in good faith, the Agency shall provide notice to the Redeveloper with a reasonable time of not less than fifteen (15) days and not more than thirty (30) days to cure such failure. Upon failure of Redeveloper to cure prior to the expiration of such cure period, the Agency may terminate this Agreement or extend the cure period, as it deems appropriate.

C. In the event this Agreement is terminated as provided in Sections [400] A. or [400] B., the parties shall have no further obligations hereunder except for those that shall have accrued and remain undischarged.

D. Notwithstanding anything to the contrary set forth in this Agreement, unless extended in writing by mutual agreement of the parties, this Agreement shall automatically expire and be of no further effect one hundred twenty (120) days, commencing on the date of the execution of this Agreement.

V. [500] REDEVELOPER

[501] Nature of Redeveloper

The Redeveloper is a corporation incorporated under the laws of the State of California.

[502] Office of Redeveloper

The principal office of the Redeveloper is located at 1640 South Sepulveda Boulevard, Suite 425, Los Angeles, California 90025.

VI. [600] CONDITIONS TO APPROVALS OF DEVELOPMENT

The Redeveloper is required to make full disclosure to the Agency of its principals, officers, stockholders, partners, joint ventures, employees, and other associates, and all other pertinent information concerning Redeveloper.

The Redeveloper understands that the DDA is not valid unless approved by the Urban Community Development Commission (UCDC) and the City Council of the City of Compton, hereinafter referred to as the "Commission" or "Council", neither of which has any obligation to approve said DDA.

VII. [700] PURCHASE PRICE AND/OR OTHER CONSIDERATION

The purchase price and/or other consideration to be paid by the Redeveloper under the DDA will be established between the Agency and Redeveloper during negotiation and take into consideration the fair market value of the subject property based on a current appraisal.

VIII. [800] REAL ESTATE COMMISSION

The Agency shall not be liable for any real estate commission, brokerage fees or finder's fees which may arise in connection with the contemplated transaction. The Agency and Redeveloper each represent that it has not engaged a broker, agent, or finder in connection with this transaction.

IX. [900] FEDERAL AND STATE ENVIRONMENTAL REQUIREMENTS

The Agency requires the Redeveloper to supply data and information to determine the impact of the development on the environment for the preparation of any necessary environmental impact reports or studies.

X. [1000] ASSIGNMENT

This Agreement shall not be assigned by the Redeveloper without written consent by Agency. Any attempted assignment shall be void.

XI. [1100] GENERAL PROVISIONS

1. [1101] Conditions, Covenants and Restrictions

The Agency and Redeveloper understand that the Site is subject to the terms and conditions prescribed in the Redevelopment Plan for the Project Area. The Redeveloper further understands that exclusive negotiations under the present agreement are subject to the requirements prescribed by the Redevelopment Plan.

2. [1102] Public Hearing

If the negotiations culminate in a DDA signed by the Redeveloper, such an Agreement shall provide that any proposed disposition and sale of the land shall not be authorized until it has been considered and approved by the Commission and the City Council after the public hearing as required by law.

XII. [1200] ASSISTANCE AND COOPERATION

The Agency and Redeveloper shall cooperate fully and provide each other with appropriate information and assistance.

XIII. [1300] FORM OF NONDISCRIMINATION AND NONSEGREGATION

The Redeveloper agrees to comply with the requirements of State Health and Safety Code Section 33436, Nondiscrimination and Nonsegregation - Forms, in connection with its use, occupancy or development of the Site.

XIV. [1400] NOTICES

All notices, requests, demands and other communications hereunder shall be in writing and shall be given (a) by facsimile transmission (so long as no later than the next business day following the transmission of the facsimile notice, a duplicate, confirmation copy of such notice is sent by certified or registered mail, postage prepaid, return receipt requested); (b) by Federal Express delivery (or other established express [overnight or better] delivery service which requires a signature from the recipient as a condition of delivery); (c) by certified or registered mail, postage prepaid, return receipt requested; or (d) by personal delivery. Notices to a party shall be given to the following address indicated, or to such other address as a party may designate for notice to that party by written notice given:

City/Agency: Community Redevelopment Agency
205 South Willowbrook Avenue
Compton, California 90220
Attention: Kofi Sefa-Boakye

Redeveloper: Meta Housing Corporation
1640 S. Sepulveda Boulevard, Suite 425
Los Angeles, CA 90025
Attention: Kasey Burke

XV. [1500] ENTIRE AGREEMENT

This Agreement includes Pages 1 through 6, plus Exhibit A, "Map of the Site", which together constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions set forth herein or incidental hereto, and supersedes all negotiations of previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

IN WITNESS WHEREOF, the Agency and Redeveloper have each signed this Agreement as of the dates set forth herein below.

META HOUSING CORPORATION
(Redeveloper)

By: 
KASEY BURKE
VICE PRESIDENT

Date: 2/17/09

COMMUNITY REDEVELOPMENT AGENCY

By: 
CHARLES EVANS
EXECUTIVE SECRETARY

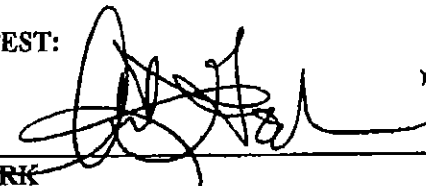
Date: 3-10-09

APPROVED AS TO FORM:

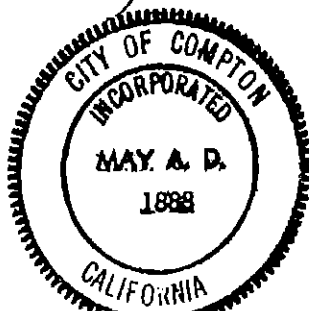

CITY ATTORNEY/AGENCY COUNSEL

Date: 3/9/09

ATTEST:


CLERK

Date: 3-16-09



Page 8 of 8

RESOLUTION NO. 1,743

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND META HOUSING CORPORATION TO WORK OUT THE TERMS AND CONDITIONS OF A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE ACQUISITION AND DEVELOPMENT OF CERTAIN PARCEL IN THE REDEVELOPMENT PROJECT AREA

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the Agency has formulated a Draft North Downtown Specific Plan as a frame work to guide the implementation of transit oriented developments and mixed-use development in the North Downtown Compton Specific Plan area; and

WHEREAS, the Agency is in receipt of a proposal from Meta Housing Corporation requesting an exclusive right to negotiate with Agency for acquisition and development of certain City/Agency owned property located in the North Compton Down Specific Plan area for a proposed senior housing development; and

WHEREAS, the Agency has determined that an Exclusive Negotiation Agreement with Meta Housing Corporation for acquisition of certain Agency owned property located in the North Downtown would complement proposed transit oriented and mixed-use developments in furtherance of smart growth objectives in the area.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Executive Secretary is hereby authorized to enter into Exclusive Negotiation Agreement with the Meta Housing for one hundred and twenty (120) days in connection with acquisition and development of certain Agency/City owned parcel in the North Downtown Compton Specific Plan.

Section 2. That the Executive Secretary is hereby authorized to execute the necessary agreements to finalize contract execution.

Section 3. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

Resolution No. 1,743
Page 2

ADOPTED this 27th day of January, 2009.

Lillie Johnson
CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION



STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alta Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at the regular meeting thereof held on the 27th day of January, 2009.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS - Calhoun, Argueta, Clay, Dobson
NOES: COMMISSIONERS - None
ABSENT: COMMISSIONERS - Perrod

